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Hispanic[®]BUSINESS



BUSTING OUT BIG

RECREATIONAL
& IMPORT SHARE
GROWING

Annual
Top 40
Auto Survey



Hispanic BUSINESS[®]

November 1991

Volume 13, Number 11



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Jaime Martinez (left), Manny Esquerra, and their Ford Ranger. This month's cover design by Larry Crane.

DIRECT LINE

"The data reported in this issue will undoubtedly more than confirm a need for auto makers to invest more dollars in Hispanic market research."

As the auto industry goes, so goes the nation. This is almost an article of economic fact. And as we know, our auto industry has had better years.

But look again at America's Hispanic consumers and their place in the pivotal auto markets.

Based on unpublished data from the Bureau of Labor Statistics, we're able to determine that sales of new vehicles registered to Hispanic consumers ("family" vehicles) total \$4.0 billion annually. Other data from auto industry researcher J.D. Power for 1989/1990 tell us these figures represent sales of about 307,400 new family vehicles a year.

Annual finance charges on these sales amount to \$1.4 billion; \$2.7 billion is spent on maintenance and repairs; and gas and oil add another \$5.3 billion.

But that's only half of the picture.

None of these figures includes spending on autos and trucks registered to America's more than 500,000 Hispanic-owned businesses.

Our 1991 automotive survey of the **HISPANIC BUSINESS** 500 companies indicates that this small group alone spent nearly \$15 million on transportation in 1990, and that they replace their vehicles every 2.4 years on average.

These numbers suggest a relatively intense market relationship that is apparently growing each year. And manufacturers, both domestic and foreign, are beginning to take notice.

While European manufacturers have yet to begin courting this market seriously, the Japanese are investing increasingly to reach Hispanic consumers.

Indeed, they're developing attractive market shares. An unpublished national survey done in second quarter 1991 by automotive market research firm R.L. Polk & Co. shows that 49 percent of all Hispanic new family car purchases in 1991 were Asian, by comparison with

only 38 percent of purchases by the general U.S. market. The figure for the more well-to-do Hispanic segment is even higher—nearly 52 percent. Seven of the top 10 auto models bought by Hispanic individuals are Asian.

And about 30 percent of Hispanic light truck purchases are Asian, by comparison with only 19 percent for the general market.

But it is of more than passing interest to note that—while Hispanic families are buying more Asian product—Hispanic business owners are shifting decisively toward American made cars and trucks.

Our own survey shows that 72 percent of the **HISPANIC BUSINESS** 500 fleet bears American nameplates—more than 37 percent Ford, 28 percent GM, and 10 percent Chrysler. That's an overall increase of 8 percent since 1990.

Among the 72 percent of Hispanic CEOs we surveyed who register their car to the business, only 8 percent report owning a Japanese make. Although Cadillac shares first place with Mercedes in this segment—each controlling 18.1 percent—59 percent of the CEOs buy American.

Is this due to the intensity of the business relationship Hispanic companies have with American auto manufacturers? Is it due in part to the increasing number of Hispanic-owned auto dealerships, and to the vendor relationships Hispanic companies are developing with Detroit?

Could be.

In any event, the data reported in this issue will undoubtedly more than confirm a need for auto manufacturers to invest more dollars in Hispanic consumer research—to predict future behavior in this segment, and to understand what will motivate Hispanic auto buyers.

Detroit's newfound devotion to lean production and quality may be the key industrial challenge of this decade. For their sake, and for the sake of the U.S. economy overall, we wish them well.

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THE Surveys:

Business Auto Buyers Go American While Others Shift to Imports

That last piece of the puzzle is falling into place.

The major automotive market survey firm R.L. Polk & Co. of Detroit has calculated spending on the "Top 40" autos and trucks registered to individual Hispanics twice, once in 1988 and again this year. But for years nobody could get a fix on how much America's 500,000-plus Hispanic owned businesses spend for their company-registered autos, vans, and trucks, or on what kinds of

vehicles these myriad small Hispanic businesses are buying.

Now we can, based on our annual automotive surveys of the country's largest Hispanic-owned companies—the **HISPANIC BUSINESS 500**. And what we find is a surprisingly sharp segmentation in the Hispanic automotive market.

The trend in car and truck buying for the Hispanic business sector is quite different than for the general Hispanic market sector as analyzed by Polk, and both differ from trends in the U.S. mainstream market. The importance of these differences is underscored by Labor Department data showing that U.S. Hispanic automotive expenditures topped \$25.1 billion last year.

This article examines the results of both the second annual **HISPANIC BUSINESS 500 Automotive Survey** and an R.L. Polk report on the "Top 40" autos and trucks registered to individual Hispanics in the United States.

Hispanic Business 500 Survey Results Go American

Our second annual survey of automotive spending shows that the **HISPANIC BUSINESS 500**, which reported total revenues of \$9 billion for 1990, spent about \$14,779,650 on their fleets and fleet maintenance in the past year—an average of \$30,000 per company. These companies report having more than 8 percent of their total asset base invested in cars and trucks.

Based on our survey sample, the **HISPANIC BUSINESS 500** own or lease about 6,182 vehicles in total, an average of slightly more than 12 per company. Sixty-eight percent of these—4,193—are trucks, 32 percent cars. The 500 companies own

the majority of these vehicles outright rather than leasing; 86 percent of the high-mileage trucks and vans are owned, and 66 percent of the company cars. Fifty-eight percent of the respondents purchase all their vehicles; 11 percent lease all; and 27 percent mix owned and leased vehicles in their fleets.

Looking ahead to 1992, of the companies that plan to add to their fleets, 58 percent again say they will add only purchased vehicles, but twice as many as last year—23 percent—will add only leased vehicles. About 19 percent plan a mix for their additional fleet.

All in all, the 500 will probably add new cars and trucks worth \$29,200,000 to their fleets this year. This is based on an aver-

Share of Company Cars by Manufacturer

Total = 1,989

	1990	1991
Ford	31.9%	37.3%
GM	29.9	28.2
Chrysler	6.0	10.3
Toyota	9.2	4.5
Mercedes	5.8	3.0
Honda	3.2	2.3
BMW	3.9	1.6
Other	11.1	12.8

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age cost per car of \$16,000 and an average cost for trucks of \$36,415 (at an average cost of \$16,000, according to *Automobile Executive* magazine). The big change in their plans is that many more companies

will be leasing their medium and heavy duty trucks. Currently, only 12 percent of these vehicles are leased. The survey indicates that truck leasing will increase almost four-fold, to 44 percent.

To finance their vehicle purchases, about 51 percent of the survey respondents employ bank loans, 14 percent go to loan institutions, 29 percent draw on company resources, and the remaining 6 percent find "other" sources. About 46 percent of the companies purchasing vehicles got a fleet discount. Fewer than half—44 percent—purchase extended warranty coverage, four out of five times from the dealer.

Of the \$30,000 that the average **HISPANIC BUSINESS 500** company spends yearly on fleet and maintenance, roughly

Share of 1991 Fleet By Vehicle Type

Total = 6,182

	Purchased	Leased
Subcompact/compact	8.6 %	16.5 %
Intermediate/full	9.5	25.4
Luxury	8.7	11.7
Minivans/vans	11.0	13.4
Light-duty trucks	23.6	12.6
Medium/heavy trucks	35.7	18.4
Sports/utility vehicles	3.0	2.0

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Cars CEOs Drive By Make

	1990	1991
Cadillac	12.7 %	18.1 %
Mercedes	15.8	18.1
Lincoln	9.4	10.9
Chevrolet	3.2	8.0
Ford	9.4	6.5
Jaguar	3.2	6.5
BMW	9.4	5.0
Buick	N/A	4.3
Oldsmobile	3.2	3.6
Lexus	N/A	2.9
Jeep	4.9	2.2
Other	28.8	13.8

Share 1991

American make:	59 %
European make:	33 %
Japanese make:	8 %

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\$10,000 is for purchase costs, \$3,000 for leasing, \$7,500 for maintenance, \$6,000 for insurance, and \$3,500 for finance charges. If we extrapolate these averages to the entire **HISPANIC BUSINESS 500**, their total annual expenditures are roughly \$4.9 million for vehicle purchases, \$1.4 million in leasing costs, \$3.7 million for maintenance, \$2.9 million for insurance, and \$1.7 million in finance charges.

About 34 percent of the respondents

have their vehicles serviced by the dealer, 28 percent go to independent shops, and about 11 percent do their own servicing.

How often do they replace their vehicles? About every 2.4 years—a bit faster than last year, when it was every 2.6 years. And the average company replaces its tires and brakes every 14.4 months; batteries and mufflers every 12 months.

But now for the question that's most important to the auto industry: What kinds of cars are Hispanic companies buying? What's the trend?

Overwhelmingly, it's American. Based on our survey, 76 percent of the total **HISPANIC BUSINESS 500** auto fleet bears American nameplates, as opposed to 24 percent imports. That's an increase in American buying of 8 percent since our first **HISPANIC BUSINESS 500** automotive survey conducted in 1990.

Among the American manufacturers named, both Ford and Chrysler increased their market share with the 500. Ford increased by 5.4 percent, from 31.9 percent to 37.3, to further consolidate its place as the

Average Annual Automotive Expenditures

Purchases	\$9,823.73
Leasing	2,863.64
Maintenance	7,430.42
Insurance	5,947.59
Finance charges	3,493.92

Total \$29,559.30

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Fleet Ownership (Percent of Companies)

	1990	1991
Purchased only	59.7 %	57.8 %
Leased only	14.9	10.9
Both	20.9	27.2
No response	4.5	4.1

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top selling make. And while GM kept a tight grip on second place, it dropped from 29.9 percent in 1990 to 28.2, while Chrysler gained 4.3 percent, climbing from a 6 percent share to 10.3 percent.

The gains for Ford and Chrysler came at the expense of all the other major players, including mainly Toyota, Mercedes, Honda, and BMW.

And what do the top managers of these Hispanic businesses drive?

CEOs are, of course, like everybody else—only richer and busier. The cars they drive are more expensive. And for the CEOs of **HISPANIC BUSINESS 500** companies, their cars are more likely to be company owned than not. Of the CEOs who responded, 72 percent say their company owns the car they drive. This is up from the 67 percent reported last year.

Cadillac is the up-and-comer this year among the CEOs, with an increase from 12.7 percent last year to 18.1 percent this year. With that jump, the American luxury car is running hood to hood with the Mercedes, which also increased in popularity with CEOs this year, from 15.8 percent to 18.1 percent.

Lincoln, in third place, is another big winner with the Hispanic CEOs. This year

10.9 percent of the **HISPANIC BUSINESS 500** CEOs report to us that they drive a Lincoln, up just slightly from 9.4 percent last year.

Overall, American made cars account for about 59 percent of the CEO fleet; European imports 33 percent, and Japanese cars just 8 percent.

Finally, we asked the 500 to list in rank order, 1 through 5, the factors that they think are most important in their decision to buy or lease a vehicle. "Price" remains the first consideration for 40.1 percent of the business car buyers who responded. Another 14.6 percent listed something less concrete—"personal preference." And "U.S. made" was close at 12.9 percent. After that came "maintenance cost" (8.2 percent), and "resale value" (5.3). "Luxury," "economy," "consumer report evaluation," and "image" clustered at 3 and 4 percent, and only 2.3 percent of the responding companies ranked "import" as the most important criterion.

And, assuming car buyers may make

Relative Importance of Criteria in Vehicle Selection Weighted Average

Price	25.4%
Maintenance	17.4
Personal preference	11.6
U.S. made	10.2
Economy	9.8
Resale	9.7
Consumer/road tests	6.2
Luxury	4.5
Image	3.7
Import	1.6

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tradeoffs among their three or four top ranked criteria, we developed a "weighted average" evaluation of the 10 criteria, as outlined in the table above. This shows that price may account for 25.4 percent of the average purchase decision, maintenance 17.4 percent, personal preference 11.6 percent, and U.S. made 10.2 percent. Again, import ranked last in relative importance, at 1.6 percent. —Continued

Purchase and Lease Intentions in Next 12 Months

Total = 1,098 Vehicles

Purchase Lease

Subcompact/Compact	16.5%	1.4%
Intermediate/Full	17.4	37.5
Luxury	12.4	15.3
Minivans/Vans	16.1	6.9
Light-duty trucks	22.3	5.6
Medium/heavy trucks	12.8	33.3
Sports/Utility vehicles	2.5	0.0

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Vehicle Financing Source

Bank	50.9%
Loan Institution	14.2
Your company	29.2
Other	5.7

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Frequency of Vehicle Replacement % of Companies

Average = 2.4 years

Yearly	26.2%
2 years	26.2
3 years	35.7
4 years	4.8
More than 4 years	7.1

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R.L. Polk "Top 40" Data Show a Shift to Imports

While Hispanic businesses continue loyally to buy more of Detroit's cars and trucks, more of the men and women on the street are going over to Japanese vehicles.

Hispanics are spending a bigger portion of their new car budget with the Japanese than they did three years ago, shifting further toward Tokyo than the overall population. Exactly 48.81 percent of all new cars registered to Hispanic buyers in the second quarter of 1991 were Asian imports, by comparison with 37.60 percent for the overall market.

And the more well-to-do Hispanic auto market segment—buyers with incomes above \$75,000—is even more likely to buy Asian. Of that group, 51.46 percent purchased Asian imports. In each case autos purchased from the one Korean maker included in these data, Hyundai, represent only a small portion of the total Asian maker sales figure.

These dramatic findings emerge clearly from previously unpublished data collected nationally for second quarter 1991 by the Detroit-based auto market research firm R.L. Polk & Co.

Polk's data, which also correlate Hispanic car and truck purchase choices with specific demographic and lifestyle characteristics like age, gender, occupation, and income, are drawn from proprietary, commercial, and public sources of new car and truck registration information in 49 states and the District of Columbia (Hawaii is not included because of state regulations). Polk identifies Hispanic buyers based on their surnames.

"Spanish-language advertisements created by the Hispanic ad agencies working with the Japanese manufacturers have had

Top 40 Auto Models Hispanics Buy

Rank	Model	New Cars Hispanics Bought in 1988 %	New Cars Hispanics Bought Apr.-June 1991 %	All New Cars Sold In U.S. Apr.-June 1991 %
1	Honda Accord	4.20%	7.53%	6.47%
2	Toyota Camry	2.10	4.71	4.29
3	Chevrolet Cavalier	2.70	4.37	4.17
4	Nissan Sentra	4.40	4.34	2.09
5	Toyota Corolla	1.90	3.97	2.63
6	Honda Civic	2.50	3.78	2.79
7	Ford Escort	3.80	3.26	3.37
8	Toyota Tercel	1.20	2.63	1.34
9	Hyundai Excel	6.10	2.08	1.20
10	Pontiac Grand Am	2.50	1.81	1.72
11	Ford Taurus	1.90	1.63	2.53
12	Mazda 626	0.60	1.54	1.51
13	Toyota Celica/Supra	1.00	1.51	1.14
14	Acura Integra	N/A	1.48	1.20
15	Geo Storm	N/A	1.47	0.95
16	Nissan Maxima	1.00	1.44	1.30
17	Nissan Stanza	0.70	1.35	0.86
18	Ford Mustang	2.50	1.32	0.98
19	Chevrolet Lumina	N/A	1.30	2.02
20	Mitsubishi Eclipse	N/A	1.30	0.95
21	Ford Tempo	2.20	1.19	1.44
22	Chevrolet Camaro	1.90	1.14	0.70
23	Buick Somerset/Skylark	0.60	1.01	1.39
24	Chevrolet Beretta	1.70	1.00	0.89
25	Buick Regal	1.20	0.96	1.52
26	Hyundai Scoupe	N/A	0.94	0.46
27	Ford Thunderbird	1.20	0.91	0.84
28	Mazda Protege/323	1.00	0.90	0.79
29	Buick Le Sabre	0.90	0.87	1.98
30	Geo Metro	N/A	0.86	0.93
31	Mercury Cougar/XR-7	1.50	0.84	0.67
32	Oldsmobile Cutlass Ciera	3.90	0.81	1.32
33	Nissan 240SX	N/A	0.81	0.48
34	Chevrolet Corsica	1.50	0.79	0.69
35	Oldsmobile Cutlass Calais	N/A	0.77	0.95
36	Pontiac Grand Prix	0.80	0.76	1.06
37	Mazda MX-6	N/A	0.75	0.61
38	Mercury Grand Marquis	0.80	0.74	1.52
39	Hyundai Sonata	N/A	0.74	0.44
40	Oldsmobile Cutlass Supreme	N/A	0.73	1.04

Source: R.L. Polk & Co. Unpublished data September 1991.

a huge impact on the market share of the Japanese imports," observes Virginia McNamara, Polk's senior account representative with AutoMIS Services. "The increases in Honda's and Toyota's market shares are good examples of this. I should add that Polk can also provide this information by region, state, and/or area of dominant influence or ADI."

A look at Polk's list of the "Top 40" auto models bought by Hispanics provides a more detailed comparison with overall market patterns. This market segment is much more likely to buy a Honda, a Toyota, a Nissan, or a Mitsubishi, for example, than the general population. That difference holds true for cars in all price ranges, including entry and mid-level models as well as the more pricey ones like the Honda Prelude, the Toyota MR2, and the Nissan 300ZX.

Of the American-made cars appearing on the "Top 40," Hispanics continue to favor only two models more than the general market: they buy 35 percent more Ford Mustangs and 26 percent more Mercury Cougars. "A Hispanic subset of sporty car buyers is something we also found in 1988," Ms. McNamara explains.

Two expensive European cars also win more favor among Hispanics than from the mainstream. Hispanics are 25 percent more likely to buy a BMW and 20 percent more likely to buy a Mercedes.

Hispanics haven't always tilted so heavily abroad. Just three years ago when Polk last ran the numbers, they bought domestic cars in much larger numbers. In that year, 59.3 percent of all Hispanic new car purchases were domestic. This portion has dropped precipitously to 45.99 percent in 1991.

For example, the favorite vehicle, garnering 7.53 percent of the Hispanic market in the second quarter of this year, is the Honda Accord. That's close to double the Accord's 4.20 percent share three years ago, when it was in third place.

Number two on the "Top 40" auto list, the Toyota Camry, also showed a steep increase. It went from a 2.10 share in 1988 to a 4.71 share now. Eight other Japanese

Top 40 Trucks and Vans Hispanics Buy

Rank	Model	New Trucks/Vans Hispanics Bought Apr.-June 1991 %	All New Trucks/Vans Sold In U.S. Apr.-June 1991 %
1	Chevrolet fullsize pickup-2 wdr	8.80	5.96
2	Ford Ranger pickup	5.87	7.30
3	Nissan king cab pickup-2 wdr	5.62	2.45
4	Ford Explorer	5.10	6.52
5	Toyota pickup-2 wdr	4.74	2.28
6	Ford F-series pickup-2 wdr	4.68	5.27
7	Chevrolet S-10 pickup	4.38	2.29
8	Plymouth Voyager	4.17	4.84
9	Dodge Caravan	4.01	5.22
10	Ford Aerostar	3.16	2.49
11	Toyota pickup-4 wdr	2.60	2.11
12	GMC fullsize pickup-2 wdr	2.51	1.87
13	Chevrolet Astro	2.47	2.24
14	Chevrolet S-10 blazer	2.36	2.80
15	Toyota 4 Runner	2.23	1.17
16	Chevrolet fullsize pickup-4 wdr	2.11	3.72
17	Cherokee-4 wdr	2.03	2.23
18	Toyota Previa	1.99	1.56
19	Mazda MPV	1.86	1.37
20	Mazda pickup	1.82	1.47
21	Nissan Pathfinder	1.67	0.98
22	Ford F-series pickup-4 wdr	1.52	3.44
23	Chevrolet passenger van	1.38	1.41
24	Mitsubishi Mighty Max pickup-2 wdr	1.35	0.71
25	Dodge Dakota pickup-2 wdr	1.24	1.83
26	Dodge Ram van	1.20	0.91
27	Ford Econoline van	1.19	1.47
28	Jeep Wrangler	1.02	0.90
29	Chevrolet Lumina APV	0.93	1.03
30	GMC Sonoma	0.92	1.20
31	Isuzu pickup-2 wdr	0.91	0.90
32	Isuzu Rodeo	0.91	0.50
33	Jeep Cherokee-2 wdr	0.89	0.33
34	Ford Bronco	0.76	0.67
35	GMC Safari	0.70	0.71
36	Dodge Ram pickup-2 wdr	0.66	1.27
37	GMC fullsize pickup-4 wdr	0.65	1.14
38	Isuzu Trooper	0.65	0.86
39	GMC S-15 Jimmy	0.64	0.76
40	Geo Tracker	0.64	0.73

Source: R.L. Polk & Co. Unpublished data September 1991.

models, the Toyota Corolla, the Honda Civic, the Toyota Tercel, the Mazda 626, Toyota Celica/Supra, the Acura Integra, and Nissan's Maxima and Stanza, each posted substantial gains.

Another American car showing a big gain over the three year period is the Chevrolet Cavalier, which went from a 2.70 share to a 4.37 share, climbing into third place among Hispanic car buyers.

The big loser among Hispanics, as their preferences moved upscale, was the Hyundai Excel. That car came in first with a 6.1 percent share of the market in 1988, but dropped to ninth place with 2.08 percent

in the second quarter of 1991.

The truly upscale Hispanics are those with yearly earnings of more than \$75,000. Their tastes in cars match their incomes. Not surprisingly, compared with those who earn less than \$75,000, they buy proportionately more Cadillacs, Lincolns, Chrysler Lebarons, Buick Electras, Corvettes, and Dodge Stealths.

Likewise, among the Japanese imports, upscale Hispanics shift their preferences toward a different top car list on which all models of the Nissan Infiniti and the Nissan Maxima and 300ZX rank high. The same holds true of the Toyota Lexus,

Celica/Supra, and MR2 models, Honda's Acura and NSX, Mazda RX-7, and the Mitsubishi Starion.

Among the European imports, the upper income Hispanic segment also favors Mercedes, BMW, Volvo, Saab, Audi, Porsche, Alfa Romeo, Jaguar, and Sterling.

The Polk data allow detailed comparisons of the buyers of different cars. For example, Honda buyers earn more than Toyota buyers. This difference is strongest at the low end of the income scale, with Hispanics earning under \$15,000 being 29 percent more likely than the same segment of the general market to buy Toyota. But the comparison extends through the entire income range, up to those earning more than \$125,000. Hispanics in this income range are 21 percent more likely to buy a new Honda.

Similar comparisons show that Hispanic Ford buyers earn more than those who buy Chevrolets. For example, Hispanic buyers earning between \$100,000 and \$125,000 buy 43 percent more Fords than Chevys.

The Polk data also highlight how auto choice differs by age, gender, and profession. For example, buyers in their 40s are considerably more likely to prefer a Geo than a Pontiac. Households headed by women are much more likely to buy an Oldsmobile than a Buick. And professional, technical, and managerial people are somewhat more likely to buy a Mazda than a Nissan.

Similarly, the Polk analysis highlights differences among truck buyers. Hispanic truck buyers overall are clearly younger than mainstream truck buyers.

Hispanics also show a greater preference by comparison with the general market for

Percent Auto Purchases by Geographic Origin: Overall Market and Hispanic Segment Second Quarter 1991

	Overall	Hispanic	Hispanic as Percent of Overall
Domestic	57.58%	45.99%	80%
Asian Imports Total*	37.60	48.81	130
Honda	12.20	14.68	120
Toyota Motor Sales	10.52	13.90	132
Nissan Motor Corp.	5.28	8.72	165
Mazda	3.61	3.81	106
Hyundai	2.10	3.76	179
Mitsubishi	1.99	2.57	129
All other Japanese Imports	1.90	1.38	73
European Imports	4.56	4.94	108
Total	100.00*	100.00*	

*Includes cars produced in the United States under Asian brand names.
Source: R.L. Polk & Co. Unpublished data September 1991.

fullsize pickups with two-wheel drive. This is true whether the truck is a Chevy, GMC, Dodge Ram 50, Jeep Cherokee, Nissan King Cab, Suzuki Sidekick, or Toyota.

Hispanics also are much more likely to buy a truck made by Nissan, Mitsubishi, Toyota, Suzuki, or Mazda than buyers in the general market. As in the auto market, Hispanics buy proportionately more Asian imports than the general market. Only 19 percent of the general market for trucks went to Asian made vehicles in the second quarter of this year, by comparison with almost 30 percent of Hispanic truck purchases.

Clearly, while Japan hasn't made the big inroads into the U.S. truck market that it has in cars, those numbers are growing rapidly. If Hispanic car and truck purchases in the second quarter of this year represent the wave of the future, Detroit has real cause for concern. (E)

Percent Auto Purchases by Income Group Lower/Middle and Upper Income Hispanic Segments Second Quarter 1991

	Income Less than \$75,000	Income More than \$75,000	Upper As Percent of Low/Middle
Domestic	47.78%	36.60%	77%
Asian Imports Total*	48.31	51.46	107
Honda	14.10	17.73	126
Toyota Motor Sales	13.85	14.14	102
Nissan Motor Corp.	8.56	9.53	111
Mazda	3.77	4.01	106
Mitsubishi	2.50	2.94	118
Hyundai	4.11	1.90	46
All Other Japanese Imports	1.41	1.21	86
European Imports	3.66	11.66	108
Total	100.00%	100.00%	

*Includes cars produced in the United States under Asian brand names.
Source: R.L. Polk & Co. Unpublished data September 1991.

Percent Light Truck Purchases by Geographic Origin Overall Market and Hispanic Segment Second Quarter 1991

	Overall	Hispanic	Hispanic as Percent of Overall
Domestic	80.63%	70.48%	87%
Total Imports*	19.33	29.53	153
Toyota	7.42	11.87	160
Nissan	4.41	8.22	187
Mazda	3.17	3.94	124
Isuzu	2.65	3.02	114
Mitsubishi	1.00	1.68	168
Other Imports	0.68	0.78	115
Total	100.00%	100.00%	

*Includes trucks produced in the United States under Asian brand names.
Source: R.L. Polk & Co. Unpublished data September 1991.

G

oing After the \$25.1 Billion Jackpot

Automotive marketers want to ride the Hispanic buyer's move upscale.

No wonder many Hispanic new car dealers are feeling upbeat. Just as more and more Hispanic buyers are picking out more upscale cars and trucks, the pickings are getting better.

There'll be a significant number of brand new midmarket cars and trucks coming to town this fall—creating the richer mix of model lines and options that traditionally causes customers to hit the buy buttons harder.

"Our Hispanic customers are getting away from the tradition of Ford and Chevrolet, and going for Pontiac and Buick," claims Ruben A. Baca, president of Baca Motors Inc. in Belen, New Mexico. "New product sets up a big excitement with the public that drives them into your showroom, whether they buy that particular new car or not," he explains. Mr. Baca, who—not so surprisingly—deals in Buicks and Pontiacs, as well as GMC trucks, says, "We're having a better 1991 than 1990 on sales, and I believe 1992 will be better still."

Antonio Rodriguez's Fresno Toyota in California is seeing the same trend, says General Sales Manager Dan Hogan. Hispanic customers, who provide 25 percent of their sales, "are buying more car these days—more expensive models of the car lines." Another California dealer goes far-

ther. "There are no limitations as to what Hispanics are buying, says Mike Hernandez Jr., general sales manager of Camino Real Chevrolet in Monterey Park. "It's a diverse market—from a \$4,000 used car to a \$40,000 van conversion. This year has been inconsistent, but we're looking for good things in 1992."

So are dealers on the East Coast, says Lombardo Perez, owner of Metro Ford Inc.



One out of every five HISPANIC BUSINESS 500 CEOs drives a Cadillac like the new Seville STS to do business. How many would the nation's 500,000 Hispanic businesses buy?

in Miami. "Our Hispanic customers are really continuing to buy the upscale vehicles. You can see it with the Ford Explorer [a sport utility wagon]. There is an interest in getting the top-of-the-line Eddie Bauer model."

Mr. Perez too is enthusiastic about the variety of new cars and trucks he has to

sell. "New product triggers new sales. In fact the name of the game is new product," he says, convinced that the product coming from Ford will both help him record a "good increase" in year-end sales for 1991 and produce a better year in 1992.

The upswell has reached Dothan, Alabama too, where Ann and Dino Velazquez own Dothan Chrysler Plymouth Dodge. "Business is improving every single month. The momentum is building," Ms. Velazquez reports.

Such news from the grass roots brought a swift reaction from Nissan Motor Corp. in USA. Last year Nissan advertised an upgraded but still entry-level Sentra to Hispanics. This year, the ads for Sentra (which placed fourth in the Hispanic market as of second quarter 1991, according to auto market research firm R.L. Polk & Co.) are joined by a campaign for the fancier Stanza decked out in sporty trim like rear spoilers, a leather wrapped steering wheel, fog lights, a black grille, and a 138 hp 2.4L 4 cylinder engine. The Stanza placed 17 in the Polk Hispanic "Top 40" auto listing, with nearly double its 1989 share of market.

"Hispanics are buying upscale—that's why we will advertise the Stanza in addition to the Sentra to them this year," says Karen Gustafson, Nissan USA's advertising media manager. Research shows that Hispanics like Japanese products, Ms. Gustafson observes, and they particularly like family sedans—which ties in quite nicely with Nissan's current basic move to family sedans.

Our goal is to eventually become a sedan car company," she says. "We've built our reputation on sporty coupes and high performance, and we want to take some of that image and apply it to the sedan market. It's quite possible to sell that kind of car, an intermediate sedan with a high level of equipment, to the Hispanic market."

And, of course, Nissan may have no-

ticed that Japanese competitor Honda is selling more Accords to Hispanics. Polk shows the Accord in first place with Hispanics this year—capturing a greater portion of that segment than of the general market, where it also leads—and topping Nissan's Sentra from second place to fourth, below the Toyota Camry and Chevy Cavalier (see "Cover Story").

Meanwhile, Toyota Motor Sales USA clearly considered the Hispanic market when it launched a campaign to displace the Accord in calendar 1992. "We will sell 8,100 Camrys in 1991, and Honda about 11,000 Accords," predicts Jon P. Bucci, Toyota USA's ad manager for passenger cars. "We haven't been advertising to Hispanics that long—three or four years—but the Hispanic market is very important to us. It is growing."

Toyota's advertising to Hispanics, he says, is positioned in terms of aspirations, because "all the research we do finds Hispanics look up to the American way." In particular, "the Camry is positioned to the established person, the slightly older person whose children are in college but still needs a car to maintain certain family functions," Mr. Bucci says.

Maybe the epitome of that established segment are Hispanic business owners or CEOs, almost 40 percent of whom drive a Cadillac or Mercedes—12 percent more than last year, according to the 1991 **HISPANIC BUSINESS** 500 auto buying survey (also reported in "Cover Story").

The Ford Division of Ford Motor Co., traditionally a strong contender for Hispanic car dollars, has been addressing Hispanics for nearly 10 years. "Each year we have increased our commitment to the market, reflecting its growing buying power," says Ford Media Manager Richard C. Halseth, "and we're expecting a general move upscale." This year, Ford has both greatly increased its strong number one position among cars registered to Hispanic businesses, and lost some ground as a percent of cars registered to individuals.

Ford's advertising approach, Mr. Halseth says, is "to do image advertising for the Ford line in general and then a specific car line. We try to directly address Hispanic traditions and culture. We don't convert general market ads to Spanish."

Neither does Chrysler Corp., which separates creative for both television and print. "We run in very targeted media,"

explains David R. Rooney, manager of corporate advertising. "We find Hispanics look for practical luxury—a balance between pure ostentatious luxury and common sense. That balance is key." To sell that balance, Chrysler tries "to show the lifestyle as opposed to the product-as-king approach. We try to capture that very strong family tradition and include Hispanics in the advertising."

Upscale vehicles featured include the famed Chrysler minivans and the Jeep Cherokee. Now the Colt Vista/Eagle Summit will get special treatment in a dedicated print ad campaign as well, Mr. Rooney says.

The Summit wagon is pictured in front of a house with a white picket fence, flanked by husband and wife, son and

daughter (who appears to be cheerleading the car). "For a family of individuals," says the headline. "Having to keep up with the activities of your busy family can be tough," the copy continues. "However, it doesn't have to be uncomfortable. The Eagle Summit was designed for your family. A family with individual styles, active, adventuresome, hard working, and most of all wise...The Eagle Summit has an engine that isn't afraid to deliver when asked to. A 12-valve, multi port 4 cylinder engine to be exact." The ad was done by Montemayor y Asociados Inc. of San Antonio, Texas.

GM's Pontiac Division basically kills two marketing birds with the same advertising stone. Pontiac has targeted areas where imports are strong with its new

How Big is the Pot? \$25,100,000,000

A recent unpublished survey of how Hispanic consumers spend their money helped us this year to calculate how much Hispanics spend for cars and other transportation expenditures.

This "Consumer Expenditure Survey," conducted by the U.S. Bureau of Labor Statistics in 1988 and 1989, encompasses data from a nationwide poll of 95,340 "consumer units," or families, including 5,820 Hispanic families.

Because the Labor Bureau's report expresses expenditures in the various categories listed in terms of annual dollars per consumer unit, and because the Hispanic consumer units average 3.4 persons each, we divided the dollar amounts

by 3.4 to get spending per person. We then multiplied that by 22,354,059, the official 1990 Census count of U.S. Hispanics—to get total Hispanic expenditures in each category.

The result? Hispanics spent at least \$25.1 billion for transportation in 1990, considerably more than our purposely conservative estimate of last October. Of this \$25.1 billion, \$10.4 billion is for vehicles, including \$4.0 billion for new cars and trucks, and another \$6.4 billion for used cars and trucks.

Gas and oil cost the Hispanic consumer \$5.3 billion. Maintenance and repairs run \$2.7 billion. Additional expenditures are detailed in the chart.

1990 Hispanic Transportation Expenditures

Category	\$ Billions	Category	\$ Billions
Vehicle purchases total	\$10.4	Other vehicle expenses total	\$7.4
New cars and trucks	4.0	Vehicle finance charges	1.4
Used cars and trucks	6.4	Maintenance and repairs	2.7
Other vehicles	0.1	Vehicle insurance	2.6
Gasoline and motor oil	\$5.3	Vehicle rental, licenses, other	0.8
		Public Transportation	\$1.9
TOTAL: \$25.1 BILLION			

Sources: U.S. Bureau of Labor Statistics, unpublished data from "Consumer Expenditure Survey, 1988-89" and U.S. Bureau of the Census, 1990 Census results.



At 18.1 percent of the HISPANIC BUSINESS 500 CEO market, Mercedes is neck-and-neck with Cadillac for first choice. Shown here is the 1991 Mercedes model 300 SE.

Bonneville and Grand Am coupes and sedans—areas that also turn out to be Hispanic strongholds.

I am not saying the Hispanic buyer is an 'import intender,'" says Pontiac's general marketing manager Joseph M. Hendrix. "But Hispanics and import intenders are attracted by styling and substance like antilock brakes and airbags. Research shows the Hispanic buyer wants to be treated no differently than any other buyer.

[The emphasis on] quality, reliability, styling, and price-value are no different than for the market as a whole.

"At the same time the Hispanic market is large and growing extremely rapidly," Mr. Hendrix acknowledges. "It's very important for Pontiac."

The division's advertising will be tailored for four areas—California, Florida, New York, and Chicago.

In Florida, for instance, local Pontiac



The Honda Accord holds first place with the general Hispanic market—where it is selling better at 7.5 percent of all purchases than to the U.S. market overall.

dealer ad groups put a lot of importance on local flavor. "One thing we do with dealer group commercials, whether they are in English or Spanish, is to use recognizable local talent, on-air personalities," says Fred H. Simmonds, Pontiac's assistant zone manager-field in Heathrow, Florida. "We use local people to get the right local dialect. You can't improve on local talent. Hispanics here like expressive cars with bright colors. And that happens to track exactly with what we want to do as Pontiac Division."

Ford's Lincoln-Mercury Division also will be focusing its Hispanic marketing efforts just on the top Hispanic markets of Miami, New York, Chicago, Los Angeles,

Hispanic Advertising Agencies for the Leading Auto Makers

Casanova/Pendrill

Irvine, California
creative only, for Nissan

Conill Advertising

New York, New York
for Toyota

Mendoza, Dillon y Asociados Inc.

Newport Beach, California
for Ford Division

Montemayor y Asociados Inc.

San Antonio, Texas
for Chrysler Corp.

La Agencia de Orci y Asociados

Los Angeles, California
for Honda

and San Francisco. "We are coordinating our efforts in these cities to make sure our message gets across, instead of trying to be national. It's a more focused effort than before," says Mark Fields, Lincoln-Mercury's media coordinator.

Along with magazine and television advertising initiatives, Lincoln-Mercury will mount an aggressive outdoor ad campaign—a combination of billboards and displays in bus stations and bus shelters. "We are the first automotive advertiser with such an outdoor Spanish-language media plan to reach people in their communities," Mr. Fields points

out. The starring vehicle is the Mercury Tracer LTS, the top-of-its line. "The message is that the Tracer LTS is a family sedan with sports car performance. There's room for the family, but it's not an ordinary compact car. The headline in print ads is, "Va que quema"—"Hot on its tracks." TV ads will use the folksong "Adoro" to connect with its audience.

Overall, the strategy is to keep existing buyers and acquire new ones, says Joe Castelli, sales promotion coordinator. "These are upscale buyers. We are trying to define Lincoln-Mercury not only for Hispanics but for all. When you say 'Lincoln-Mercury,' some only think of the Town Car. When they think 'Mercury,' it's the Cougar. We're trying to define Mercury, and Tracer is the high impact car. The Hispanic market budget has indeed held its own."

GM's Oldsmobile Division hopes to capitalize on the Hispanic market's upscale swing. Like Lincoln-Mercury, it's already an upscale marketer. "We believe Oldsmobile is a nice fit with the things Hispanics are looking for: solid value, smart contemporary vehicles," says Director of Consumer Marketing Karen Ebben. "Products that are proven for endurance, quality, and dependability. That's important to Hispanic buyers over a lot of flash and dash. Hispanic buyers like a proven product, and the Olds nameplate has been around for more than 90 years. That type of lasting and quality reputation is important to



Larger Buicks like the really roomy 1992 Park Avenue are among the top choices of Hispanic business owners, based on a survey of the HISPANIC BUSINESS 500 CEOs.

Hispanics. We're not here today and cease to exist tomorrow. There's a stability."

That's one reason Olds changed its ad slogan to "The power of intelligent engineering," Ms. Ebben points out. "That's what it's all about."

Advertising is surely necessary, but of even greater importance is reaching into the community itself, Chrysler's Mr. Rooney says. "The idea is to go out to the audience and not expect them to find us.

We want to go out to them, to their magazines, to their TV, to say 'we want your business.'" A major effort along those lines will be Lincoln-Mercury's promotion in South Florida for the Jose Marti Foundation. "Anything we can do to help Hispanics in education is looked upon favorably," says division Media Coordinator Mr. Fields. "It's getting closer to the customer that's so key," he explains.

The promotion includes a 100,000-piece direct mailing in Spanish. Dealers are donating a fixed amount of money for each car they sell during the promotion, and Lincoln-Mercury will help fund it. "But the majority of the money is coming from the dealers in Florida," Sales Promotion Coordinator Mr. Castelli says. Recipients of the mailer can take it into the dealership, where they can win a Mercury Capri. "You have to get it to the showroom floor," Mr. Castelli explains.

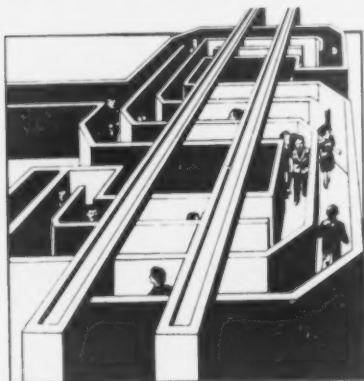
Oldsmobile has been teaming up with corporate General Motors in the "Unidos Hoy y Siempre"—"United Today and Always"—promotion. In conjunction with General Motors Acceptance Corp., Unidos Hoy sponsors seven events in California, Texas, Florida, and Illinois. Local radio and TV stations join the promotions, which include children's rides, arts and crafts, and a GM and Olds display. Prospects attending the Olds fiestas got \$500 rebate offers.

So the battle of the brands begins, and Hispanics may just decide who wins. (P)



About 11 percent of HISPANIC BUSINESS 500 CEOs drive Lincolns like this classy Continental—one reason for Lincoln-Mercury's in-depth ad plans tailored to top Hispanic markets.

CAREER INTELLIGENCER



Un-Equal Opportunity's the Reality

There are glass ceilings in America's corporations, "at a much lower level than first thought," says a statement issued by the U.S. Labor Department. The report, based on the first step in an ongoing investigation of major corporations that receive federal contracts, shows "clear signs that the progress of minorities and women in corporate America is being affected by more than just qualifications and career choices," says Labor Secretary Lynn Martin. The initial study of nine randomly computer selected *Fortune* 500 companies shows a range of practices contributing to bias in every one, including: reliance on word-of-mouth recruiting rather than more formal methods that include ethnic minorities/women, a lack of access for these groups to management development and training programs, and lack of top management involvement in fostering their advancement. The Labor Department is getting signed agreements for change from the nine, and expanding the investigation to other companies.

Newsletter Highlights U.N. Careers

Thomas F. Burola & Associates, a Ventura, California-based consulting firm working with the United Nations, now publishes a newsletter entitled "The Overseas Professional U.N. Job Bulletin" that provides information on positions at all levels in a range of skill categories for professionals seeking careers in the 164-country U.N. system—the largest single employer of international people in the world. Areas of international opportunity covered also include the World Bank, USAID, the Asian Development Bank, and a range of private consulting companies with recent

international contracting awards. Other types of information available from TFB & Associates include international contract award information on employers using experts, and identification of key people in various development agencies.

Financial Services Fellowships

In 1989 the Institute for Fiduciary Education, along with a national board of directors representing the pension and investment industry, established the Financial Services Fellowship Program Inc. This 501(c)(3), nonprofit corporation is sponsored by prominent investment advisors, consultants, and financial foundations. Currently, the program is sponsoring its first seven fellows, named in 1990, and seven new fellows in the MBA program at the Columbia Business School in New York City. Each receives an annual \$20,000 fellowship, provided by program sponsors via annual \$3,000 donations, to cover the cost of tuition and living expenses. The students also participate in a mentor program with experts from the industry, and in summer internships at leading pension and investment management firms. The organization's sole focus is to increase decision-making opportunities for minorities in the financial services field.

Student Bodies Multilingual

The most recent crop of college bound high school students taking the College Board's Scholastic Aptitude Test (SAT) demonstrates that a large segment of the college population is bilingual. Sixty-nine percent of the 66,251 Hispanic students who took the recent test and 71 percent of

the Asian American students were either raised speaking two languages or learned English as a second language. In all, 16 percent of the 1.03 million test takers fall in the multilingual category, up 3 percent since 1987. Of the 66,251 Hispanics tested, 28,602 are of Mexican extraction, 57 percent of them multilingual. Another 12,065 are of Puerto Rican heritage, 73 percent multilingual; and 25,584 are "other Hispanic," 78 percent of them multilingual. Only 1 percent of the 28,602 students claiming Mexican heritage and of the 12,065 reporting Puerto Rican origins reported they are citizens of other countries; and 10 percent of the 25,584 students claiming "other Hispanic" ethnicity.

HACE Careers for Hispanics

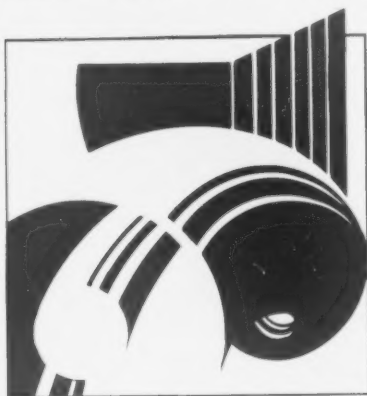
The Hispanic Alliance for Career Enhancement (HACE) hosts its sixth annual conference in Chicago in mid-November. Recruiters and human resource personnel from such *Fortune* 1000 companies as Motorola, IBM, Kraft General Foods, and Xerox will be available to interview candidates for immediate job openings. More than 100 major U.S. employers, and 2,500 Hispanic professionals and college students are expected to participate in the discussions and interviews offered by HACE. The conference hosts a seminar series addressing the needs of professionals and students. Seminar topics include—effective communication, Hispanic participation on corporate boards, needs of professional Hispanic women, and the glass ceiling for Hispanics. Another series will be directed at improving employers' skills in managing Hispanic professionals.

Language Proficiency of Graduates Who Took SAT, 1991*

By Percentage of Ethnic Group	LANGUAGE SPOKEN		
	English	English and Other	Other Language
Native American	92%	6%	1%
Asian American	29	26	45
African American	92	6	2
Mexican American	43	35	22
Puerto Rican American	27	38	35
Other Hispanic	22	35	43
Mainstream	94	4	2
Other	58	20	22

Source: The College Board

*Includes citizens of other countries



Hispanics More Receptive To TV Commercials

Market Development Inc. of San Diego specializes in cross-cultural research in general and research among U.S. Hispanics in particular. Recent findings from a 1991 poll reflect Hispanics' choices for their most admired person, and favorite

entertainers. Ranking as the top three most admired persons, respectively, are President George Bush, Pope John Paul II, and singer Julio Iglesias.

Distinctions between this year's list of the top 10 "most admired" and last year's include the addition of actor Andres Garcia in fifth place, actor/singer Vicente Fernandez in sixth, performer Juan Gabriel in seventh, actor/singer Jose Luis Rodriguez (El Puma) in eighth, and veteran actor Charles Bronson, tying for 10th place with Mikhail Gorbachev.

In response to another question asking for the name of a favorite actor/actress, Veronica Castro of the Spanish-language telenovela, "Mi Pequeña Soledad," was selected most often, followed by Vicente Fernandez, and star of the telenovela "Amor de Nadie," Lucia Mendez. The respondent's country of origin and dominant language were variables affecting the selection of favorite actor/actress. U.S.-born Hispanics preferred such actors as John Wayne, Paul Newman, Mel Gibson, Arnold Schwarzenegger, and Clint

Eastwood—their top five choices. Notably, however, English speaking actors Sylvester Stallone, Charles Bronson, and Chuck Norris appeared in the foreign born Hispanics' list but did not make the top 10 for U.S.-born Hispanics.

Another report based on an MDI Hispanic poll discusses Hispanics' attitudes about television commercials. Forty-four percent of U.S. Hispanics have a positive reaction to television commercials in general, and 59 percent of the respondents say they base their purchase decisions on the information they obtain from commercials. This is by contrast with the general U.S. population. Only 16 percent of respondents in that category have a positive reaction to commercials, with 39 percent of the sample considering the

Feelings About TV Ads: Hispanic vs. General

	U.S. HISPANIC	TOTAL POPULATION
Positive	44%	16%
Neutral	34%	41%
Negative	21%	42%
No Opinion	1%	1%

Source: 1991 poll by Market Development Inc.
*Total population figures from Gallup Poll, 8-90.

ads a useful source of information for decision making. These results correlate with findings from an MDI survey which revealed that 49 percent of the U.S. Hispanic population ranks watching television as the favorite evening pastime, compared with 24 percent of the general population. The difference is even greater—50 percent compared with 11 percent—among viewers aged 18 to 35.

But the perceived usefulness of commercials among Hispanics is more than just a reflection of Hispanics' more positive feelings about television and commercials, the report concludes. Even among the Hispanics who expressed negative feelings about commercials, one-third said they used information provided in the advertisements to make purchase decisions. And younger respondents were more likely to find commercials useful than older respondents, even though they were less likely than their seniors to say they liked the commercials. Since the younger respondents tended more to be foreign born and to have lived a shorter time in the United States, a sheer need for more information about products in this market may be a differentiating factor.

Another variable studied to determine respondents' reliance on television commercials in decision making is language dominance. Sixty-three percent of Spanish-dominant Hispanics use information in television ads to make purchase decisions. On the other hand, only 43 percent of English-dominant Hispanics find commercials useful. One conclusion of the report is that Spanish-dominant viewers probably have fewer sources of information available to them.

Hispanics' "Most Admired" People*

MOST ADMIRED PERSON	RANKING	
	June 1990	January 1991
George Bush	2	1
Pope John Paul II	1	2
Julio Iglesias	3	3
Ronald Reagan	4	4
Andres Garcia	•	5
Vicente Fernandez	•	6
Juan Gabriel	•	7
Jose Luis Rodriguez (El Puma)	•	8
Mother Teresa	5	9
Charles Bronson	•	10
Mikhail Gorbachev	6	10
Donald Trump	7	•
Nelson Mandela	8	•
Henry Cisneros	8	•
Hugo Sanchez	10	•

*Respondents were asked what well-known living person they most admire.
Source: 1991 poll by Market Development Inc.

DECEMBER 1991

\$2.00

Hispanic[®]BUSINESS



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MARKET ISSUE

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Emilio Azcarraga is taking Galavision's parent Televisa public.

BPA CONSUMER MAGAZINES

Cover

Los Angeles crowd scene from Univision's Fiesta Broadway. Cover design by Buffalo Brothers Studios West.

"Growth in Hispanic population, income, and business formation is strong and unremitting, as are gains in Hispanic media spending."

The word is: 30 million Hispanic Americans by the year 2000. Add to this \$330 billion in annual money income. That's how much the 30 million Hispanics will be earning just nine years from now, according to our projections. And consider 920,000 Hispanic-owned enterprises doing \$58 billion in business.

It's a tremendous market that's gathering force. We in the Hispanic media are most cognizant of this market's underbelly—namely that the world of commerce has been slow to recognize its momentum. But the reality is now becoming too big to ignore.

This month's cover story tells why. Growth in Hispanic population, income, and business formation is strong and unremitting. So—while the general market struggles in these tough times—gains in Hispanic media ad spending are strong and unremitting too.

Based on careful research and hundreds of confidential interviews, we're pleased to reveal that our calculation of Hispanic market ad spending is up more than \$105 million since last year—from \$628.2 million to \$733.5 million—a gain of 17 percent.

Spanish TV ad spending is up \$60 million. Local radio ads are up \$21.7 million, far offsetting a dip in national radio. Print is up \$48 million, due both to greater spending in national magazines and our own more thorough coverage of local publications this year.

By comparison, revenues for the mainstream media are all off this year, the trackers say, with the exception of a faint up-tic in radio.

And although we all remember the "go-go" 1980s as years of big growth, in fact the compound annual growth of Hispanic media spending between 1985 and 1990 was 13.5 percent. An impressive figure until you look at this year's gain, over a much bigger revenue base.

So the Hispanic market remains amazingly resilient to the heavy pressures on our economy. And right now not just American corporations, but the biggest enterprises worldwide, are interested in the growth our U.S. Hispanic economy could realize from free trade with Latin America.

For that reason we had planned to end this year with a special status report on the current free trade negotiations, and Mexico's economic plans.

We got instead a strong reminder that, along with the fun of being reporters on the front line of this major economic change, we have to deal with the degree of chaos that such change can create. The challenge of operating in Mexico, even for U.S. Hispanics, is still very great—no matter what the Mexican leaders say.

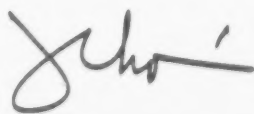
Information in Mexico travels through personal connections, and the priorities in that country today—as always in the past—are on the big play, the big score, big business.

Sometimes preoccupation with the big play does not net a big score. It is more likely that Mexico, and certainly its people, would net greater prosperity or a better quality of life by developing its small business sector, which makes up about 95 percent of the economy.

We were simply unable to pull the information together in time, even though we prepared for the project over a period of several months.

So while the growing power of U.S. Hispanic assets is being appreciated more and more at home, it is clear, no matter what is being said, that in Mexico change is a slow moving process.

And we are reminded that Mexico's strength and beauty have always been in its land and people. Not its government.



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Hispanic BUSINESS

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Spending Power At \$151 Billion

Hispanic disposable income grows at double the mainstream rate since 1982.

By Sarah Acosta

The U.S. Bureau of the Census reports that Hispanic purchasing power—earned income after taxes for households headed by Hispanics—reached \$144 billion in 1990. This represents a 70 percent increase from 1982's reported purchasing power of \$85 billion (in 1990 inflation adjusted dollars).

It is also more than double the 33 percent increase in spending power recorded for mainstream America during the same eight years, and much greater than the African American increase of 41 percent.

In actual unadjusted dollars, as the chart illustrates, the increase in Hispanic spendable income between 1982 and 1990 was from \$62.5 billion to \$144 billion—a steeper trend. And we put spendable dollars for 1991 at about \$151 billion, assuming continued inflation at the current level of about 4 percent through year's end and a conservative increase in Hispanic household formation of about 1 percent.

Another measure of growth, reported in this month's cover story, is based on *before tax income per capita* (about \$188 billion for 1990), as opposed to after tax income per household.

Further information from the Census Bureau indicates that 78 percent of eligible Hispanic males are in the work force, by comparison with 74 percent of non-Hispanic males. Additionally, Census data show that 13 percent of all Hispanic households had incomes of \$50,000 and over in 1990. That is up from 11 percent in 1982, and corresponds with a 3 percent reduction in the portion of Hispanic households at the lower end of the income range.

In summarizing these results, the Census report's author, Jesus García, comments that Hispanics "are working and have money to spend," and that His-

panic purchasing power has been increasing faster than population, long term.

And, if recession has temporarily dimmed the fires of spending power growth, the actual level of Hispanic spendable income is also probably higher than these conservative numbers indicate.

First, the Census data cover only households with a Hispanic head (where the name on the rental agreement or deed is Hispanic). If households where only the spouse is Hispanic are included, the figure rises. An estimate by Jorge del Pinal, the Bureau's chief of ethnic and Hispanic

statistics, puts the total including these households at about \$169 billion for 1990, and we project it at \$177 billion for 1991.

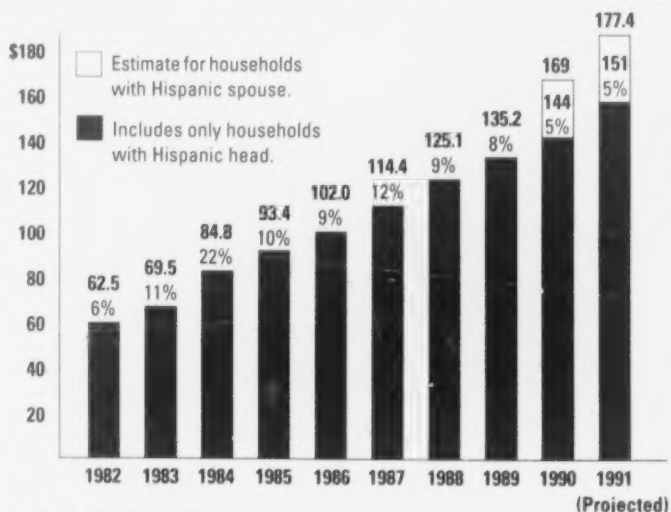
Second, the Census Bureau estimates it undercounted the Hispanic population by about 5 percent in 1990. Assuming a similar undercount in households, spendable income could be estimated at \$178 billion for 1990 and \$187 billion for 1991.

Based on the Census report that Hispanic households earned \$173 billion before taxes in 1990—again not considering families with Hispanic spouses or the 5 percent Census undercount—Hispanics represent more than 5 percent of the country's total household income.

But how is this disposable income spent, and how does it compare with mainstream spending trends? Professor Horacio Soberon-Ferrer of the University of Maryland has some answers to those questions. His statistical analysis is controlled for such factors as age, family size, occupation, and education to focus on the true distinctions attributable to ethnicity.

Dr. Soberon-Ferrer found that Hispanics spend 23 percent more of their disposable income on food at home, 21 percent more on apparel, and 14 percent more on food away from home. As percentages of \$151 billion, these figures hit home. **(T)**

Hispanic Purchasing Power in \$ Billions* and Percent Growth



* Income after taxes, not adjusted for inflation.

Sources: Data through 1990 based on U.S. Census Bureau reports, series P-20 and P-60. Projection for 1991 by Hispanic Business assumes 4 percent inflation and 1 percent increase in households.

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Who's the Leader of the Pack?

Ten top-billing Hispanic market advertising agencies for 1991.

By Humberto Lopes

The heads of most advertising agencies serving the Hispanic market tell us they are not as concerned with their billings as they are with profits.

If that's true, their concern with profits must be intense, because our December 1989 estimates of billings for the top 10 agencies ("AccountS, BillingS, and Top DogS") elicited loud howls of protest. The protesters were challenging their rivals' "inflated claims." Almost every number that we reported was questioned by some other competing agency.

Indeed, some of the top companies are notorious in the industry for being creative with their reports of billings. Others—notably Mendoza, Dillon & Asociados of Newport Beach and Casanova-Pendrill Publicidad of Irvine, California—are noted for their probity in that respect.

But we don't go by the companies' own reports. And this year we didn't identify the Hispanic market's top 10 ad agencies based on billings. We were more thorough.

Billings represent the cost of an ad to the advertiser—including the media cost to run the ad, plus the agency's commission for creating and placing it (15 percent of media costs, on average). But billings don't tell the whole story about what advertisers spend with an ad agency, because they don't include agency fees for promotions and other activities. For that reason, The American Association of Advertising Agencies (AAAA) developed the concept of "capitalized billings," a complete measure of advertiser spending that includes both agency billings and agency fees for promotions.

The AAAA has developed a formula for getting capitalized billings: multiply agency revenues (commissions and fees) times 6.67. Conversely, revenues are .15

times capitalized billings. Our goal was to get a reliable figure for each agency's revenues, and calculate capitalized billings.

So we asked each major agency to provide us with a statement of its revenues for fiscal year 1990, verified and signed by an independent certified public accountant. In 1989, four companies agreed to do so. This year, five did. The remaining five refused for a variety of reasons, including the difficulty or expense of having a CPA review their books.

For these unverified five, we developed our own estimates of revenues. We are confident the calculations are reasonably accurate, because we know the top clients of each agency, and we know approximately how much those advertisers spent in the Hispanic marketplace. Further, we consulted in detail with industry insiders to cross check and recheck each number.

Our 1991 listing of the top 10 ad agencies is little changed from the 1989 listing, which came after a time of extraordinary change. Many clients had switched agencies, and the ownership of several agencies had changed as well.

Two years ago we reported that Mendoza, Dillon was either the first or second largest, depending on how you read the numbers. Their CPA statement was for the previous calendar year, rather than the fiscal year just ended. This year, with capitalized billings of \$48 million for fiscal year 1990, Mendoza, Dillon is number one without question. While their revenues have remained flat, the close competition lost considerable ground in the recession. The estimated capitalized billings of San Antonio's Sosa, Bromley, Aguilar & Associates, which had been competing for first place, appear to be off by \$16.8 million. Castor GS&B, which had placed third, has

since splintered into two parts, neither of which is big enough to make the list.

"Given the advertising business in general, we are not having a bad year," says Bob Howells, president of Mendoza, Dillon. "We've had some clients cut back and we resigned a couple of accounts this year, but we have not lost any business."

And six of the other agencies on the top 10 are actually doing better this year than they were two years ago. These are Font & Vaamonde Inc. (up from fifth place to second with an increase in estimated capitalized billings from \$32.5 to \$46.7 million); The Bravo Group (from fourth to third, \$34.9 to \$38 million); Casanova-Pendrill (eighth to fifth, \$23.3 to \$28 million); Noble y Asociados (seventh to sixth, \$24.6 to \$27.3 million); Conill Advertising (tenth to seventh, \$20 to \$26 million); and Publicidad Siboney (ninth to eighth, \$21.2 to \$25.3 million).

Castor GS&B and the now defunct Bermudez Associates of Los Angeles—formerly number six—have been replaced by two newcomers, IAC in Miami (number nine at \$22 million) and La Agencia de Orci in LA (number 10 with \$20 million).

California-based Noble y Asociados, which concentrates on network television almost to the exclusion of anything else, might rank first if we considered only television advertising. But the agency is practically unknown in other quarters. Its fortunes are also tied largely to Procter and Gamble, which remains far and away the largest advertiser in the Hispanic market. "We have 22 P&G brands, more than any agency anywhere, including the general market," says Noble Executive Vice President Ernesto Balleste.

In terms of profitability, some observers—including Paul Melter, Conill's vice president and controller—assume that even if Sosa has lost considerable volume it is still one of the most profitable, because it is the only member of the top 10 not located on the high-rent east and west coasts. And profit, of course, is what concerns ad agencies the most.

But Sosa chief executive Lionel Sosa says he doubts that they're more profitable. "Our rent is lower, but our salaries are the same and the cost of travel is greater," Mr. Sosa says. "So it evens out."

We'll probably never know which agency is most profitable, given the difficulty we've had just getting accurate information on revenues from these agencies. But we'll keep trying. (1)

Top 10 Hispanic Market Ad Agencies, 1991

(Based on Revenues^a for FY 1990)

Name & Location	Percent U.S. Hispanic Owned	Percent Hispanic Ad Revenue	Total Ad Revenue (\$Mil)	Hispanic Ad Revenue (\$Mil)	Capitalized Billings in Hisp. Mkt. (\$Mil)	Basis	Agency Affiliation	Top Three Clients
VERIFIED REVENUES								
Mendoza, Dillon & Asociados Newport Beach, CA	1.4%	100%	\$7.2	\$7.2	\$48.0	CPA	WPP Group	Sears McNeil Kraft General Foods
Casanova-Pendrill Publicidad Irvine, CA	100%	100%	\$4.2	\$4.2	\$28.0	CPA	—	Miller Brewing General Mills Calif. State Lottery
Conill Advertising New York	0%	100%	\$3.9 ^c	\$3.9	\$26.0	CPA	Saatchi & Saatchi	Procter & Gamble Toyota Scott Paper
IAC Miami	100%	85%	\$3.9 ^c	\$3.3	\$22.0	CPA	—	Publix Mervyn's Schieffelin & Somerset
La Agencia de Orci Los Angeles	100%	100%	\$3.0 ^d	\$3.0	\$20.0	CPA	—	Honda Pepsi Cola Nestle
UNVERIFIED REVENUES								
Font & Vaamonde New York	51%	100%	\$7.0	\$7.0	\$46.7	Est.	Grey	Procter & Gamble Kraft General Foods Thompson Medical (Slim Fast)
The Bravo Group New York	0%	100%	\$5.7	\$5.7	\$38.0	Est.	Young & Rubicam	AT&T RJReynolds Warner Lambert
Sosa, Bromley, Aguilar & Asociados San Antonio	51%	100%	\$5.5	\$5.5	\$36.7	Est.	DMB&B	Coca Cola Burger King Anheuser Busch
Noble y Asociados Irvine, CA	0% ^e	100%	\$4.1	\$4.1	\$27.3	Est.	—	Procter & Gamble Kraft General Foods Security Pacific
Publicidad Siboney New York	51%	100%	\$3.8	\$3.8	\$25.3	Est.	Foote, Cone & Belding	Colgate Palmolive Pepsi Cola Payless Shoes
a. Represent both media billings and fees for promotions. Assumes that revenue equals 15 percent of capitalized billings-in accordance with standard industry procedures. b. Year ends 9/30/90. c. Year ends 7/31/91. d. Year ends 4/30/91. e. Owner is U.S. resident Mexican citizen. Hispanic Business Inc. 1991. Reprinting or copying all or part of this information requires written permission.								

COVER
STORY

Projecting



At the rate the U.S. Hispanic population is growing, crowds like this will be commonplace by the year 2000.

30 Million in 9 Years

Trends in Hispanic population, income and business growth are impressive.

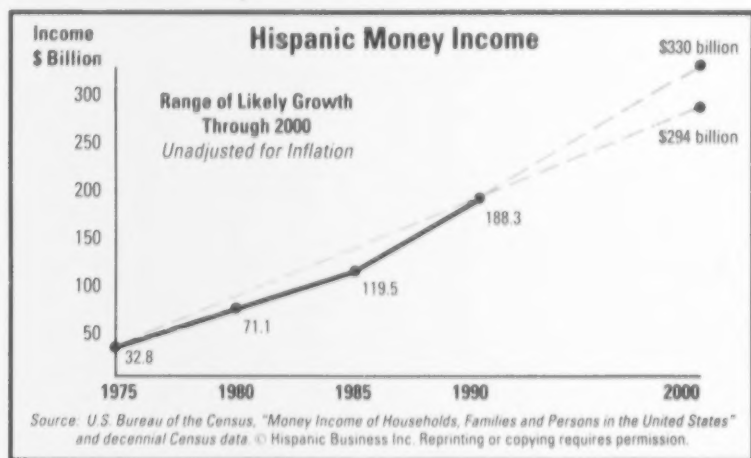
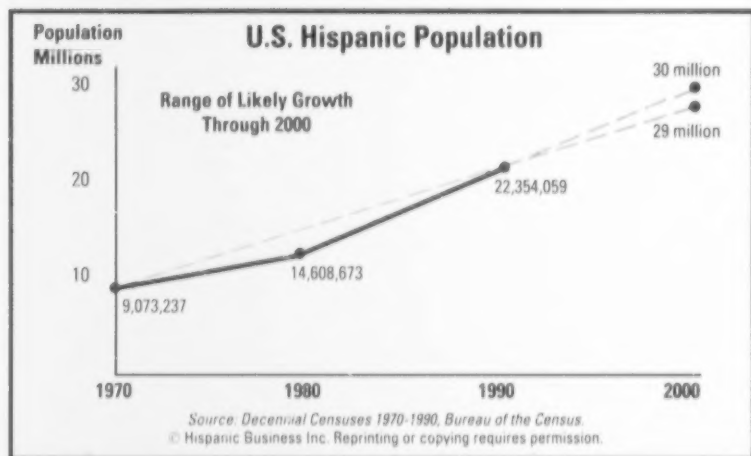
If a picture is worth a thousand words, these charts are worth millions, because they show the potent force Hispanics have become in the marketplace.

And if you think this community is one to be reckoned with now, just look ahead nine years to the projections for the year 2000. That's what these charts do. We have projected future growth based on various "trend lines" for the nation's Hispanic population and its money income, for the number of Hispanic-owned businesses, and for the receipts of those companies.

The chart projecting population growth shows two trendlines, one a continuation of the growth rate over the 20 years between the 1970 Census and the 1990 Census, and the second line continuing the growth rate just since 1980. The two projections are very similar, reflecting a fairly steady long-term rate of population growth—and set the likely Hispanic population at somewhere between 29 and 30 million by the time of the next Census.

It is important to note that the two population projections are both conservative, because they are both based on unadjusted Census data.

For example, while the official count of



Hispanics in 1990 was 22,354,059, the Census Bureau admitted that they missed 5.2 percent of the country's Hispanics. If that missing 5.2 percent is factored in, the actual total of Hispanics was about 23,516,470 in 1990. However, since equivalent estimates of the undercount are not available for previous Censuses, we did not include the additional 5.2 percent.

We also constructed two trend lines for Hispanic money income—one continuing

the 15-year trend between 1975 and 1990, and one projecting further growth at the faster pace set between 1985 and 1990. The historical data points are calculated by multiplying per capita money income for Hispanics—summarized in the 1990 Census report on money income—times the number of Hispanics calculated on the basis of decennial Census reports.

These projections put the likely range of Hispanic money income at between \$294

COVER STORY Projecting 30 Million

billion and \$330 billion by the end of the decade. (Note that this is gross income, Hispanic disposable income after taxes, which we call "purchasing power," is reported in a separate article.)

By contrast, our two trend line projections of growth in the number of Hispanic-owned companies vary a bit more widely, reflecting a drastically faster rate of increase between the last two "Surveys of Minority Owned Businesses," conducted in 1982 and 1987. If Hispanics continue founding new businesses as fast as they did between 1982 and 1987, there will

be about 920,000 Hispanic companies within nine years. And if the rate of business formation slows to the slower trend since 1969, the Hispanic business population would reach a very conservative 640,000 by the year 2000.

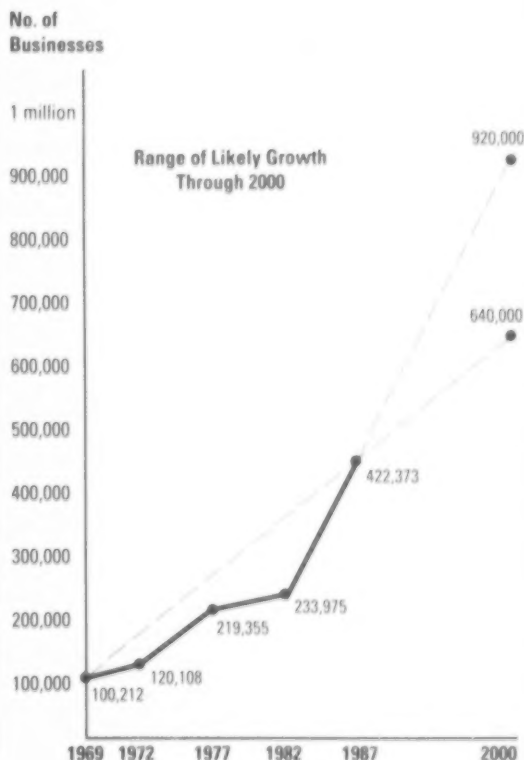
The Census Bureau also reports an undercount on the 1987 Hispanic Business Census. Again, we used the unadjusted count of 422,373, rather than the higher number of 489,973 that the Census Bureau says probably existed in that year.

Like the trendlines for growth in the nation's Hispanic businesses, the two forecasts of revenue growth for those compa-

nies differ widely as well—from a projection of \$58 billion, assuming continuation of the fast pace set since 1982, down to a projection of \$40 billion, assuming the longer term trend since 1969. Again, the Census Bureau reports a probable undercalculation of Hispanic business revenues for 1987. We based our business revenue projections on the unadjusted amount of \$24,731,600,000 rather than the more probable amount—\$32,816,574,000.

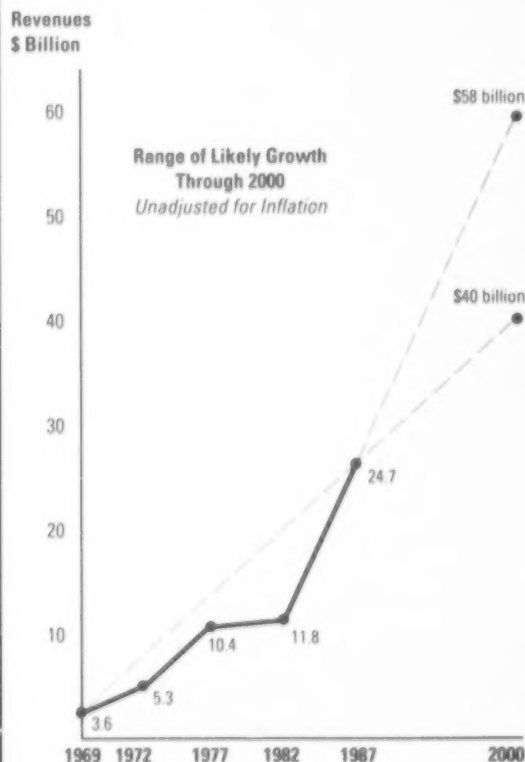
Clearly, even using the most conservative assumptions—the lower estimates—for these projections, the numbers are very, very impressive. 

Number of Hispanic-Owned Businesses



Source: "Survey of Minority-Owned Business," 1969, 1972, 1977, 1982, 1987, Bureau of the Census. © Hispanic Business Inc. Reprinting or copying requires permission.

Revenues of Hispanic-Owned Businesses



Source: "Survey of Minority-Owned Business," 1969, 1972, 1977, 1982, 1987, Bureau of the Census. © Hispanic Business Inc. Reprinting or copying requires permission.

The Hispanic Market's Leading Indicators

By Michelle Vachon

The year 1991 was hardly business as usual for the Hispanic media. While economists contradicted each other about the gravity and duration of the recession, America went to war. For a few months, time—and business—stood still. The U.S. Army, which was among the top 25 advertisers in the Hispanic market last year, stopped advertising.

This stagnant beginning was followed

by slow second and third quarters. "We were counting on signs of recovery, such as a surge in employment, to boost the last quarter and save the year," says Manny Ballesterio, vice president/national sales manager for Caballero Spanish Media representatives. "But it never happened."

Hispanic media were not all affected to the same extent. Our research indicates the three television networks—Univision,

Telemundo, and Galavision—fell short of their expected growth rate, but still managed to increase their collective advertising revenues by an estimated 11.5 percent.

On the other hand, interviews with top rep firms indicate national radio sales plunged by 15 to 20 percent. Newspapers lost a big chunk of their classified ad revenues—less hiring, fewer help wanted ads. Regional magazines lost, nationals gained.

Procter & Gamble's slowdown in Hispanic ad spending played an important role in the drop of national radio sales. Radio insiders estimate that P&G might have cut its radio ads by as much as \$1.5 million this year. Part of this sum got transferred to television ads, but not enough to main-

1991 Hispanic Market Net Advertising Expenditures

Medium	Expenditures (\$M)
Network and National TV	\$171.2
National Radio	46.8
Local TV	161.3
Local Radio	177.7
Print	106.9
Outdoor	14.9
Promotion	50.2
Transit	4.5
Total	\$733.5

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The 50 Leading Hispanic Market Advertisers—1991

Rank	Company	Gross Media Expenditures (\$M)	Rank	Company	Gross Media Expenditures (\$M)
1	Procter & Gamble Co.	28.8	26	AMR (American Airlines)	2.4
2	Philip Morris Cos. Inc.	10.0	27	Eastman Kodak Co.	2.3
3	Anheuser-Busch Inc.	8.6	28	J.C. Penney Co.	2.2
4	McDonald's Corp.	7.5	29	Chrysler Corp.	2.1
5	Coca-Cola Co.	7.5	30	Mars Inc.	2.1
6	Colgate-Palmolive Co.	7.4	31	May Co. (Payless ShoeSource)	2.0
7	Adolph Coors Co.	5.3	32	U.S. Army	2.0
8	Johnson & Johnson	5.3	33	Hershey Food Corp.	1.9
9	Ford Motor Co.	5.2	34	Clorox Co.	1.6
10	Grand Metropolitan (Burger King)	5.2	35	Kimberly-Clark Corp.	1.6
11	AT&T	5.0	36	Bacardi Imports Inc.	1.5
12	Sears, Roebuck & Co.	4.5	37	Bayer (Miles Labs Inc.)	1.5
13	PepsiCo Inc.	4.2	38	Mazda Motors	1.5
14	Quaker Oats Co.	4.0	39	Nissan Motor Corp.	1.5
15	Goya Foods Inc.	3.5	40	K mart Corp.	1.4
16	Warner-Lambert Co.	3.5	41	Nestle SA	1.4
17	Toyota Motor Corp.	3.4	42	S.C. Johnson & Son Inc.	1.4
18	American Home Products Corp.	3.1	43	H.J. Heinz Co.	1.3
19	CPC International Inc.	2.7	44	Polaroid Corp.	1.3
20	General Mills Inc.	2.7	45	American Express Co.	1.2
21	Ralston Purina Co.	2.6	46	Pacific Telesis Group	1.1
22	Honda Motor Co. Ltd.	2.6	47	Beatrice Co.	1.0
23	Woolworth (Kinney Shoe)	2.5	48	Foodmakers (Jack in the Box)	1.0
24	General Motors Corp.	2.5	49	Helene Curtis Industries Inc.	1.0
25	Unilever PLC	2.5	50	RJR Nabisco Inc.	1.0

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tain P&G's level of spending in the Hispanic media, which went from \$29.8 million last year to \$28.8 million for 1991.

But Sears is the company whose ad budget cuts affected Hispanic media the most. That company's struggle to stay afloat resulted in a \$3.7 million, or 45 percent, cut in its Hispanic media budget.

At the same time, Philip Morris, whose Hispanic expenditures had dropped by 34 percent in the past two years, increased its expenditures this year. PM's 1991 budget of \$10 million is still \$3 million short of what it was in 1988, but does represent a \$1.3 million boost since last year.

One newcomer on the 1991 list of 50 leading advertisers is Bacardi Imports, which with its Gloria Estefan campaign invested an estimated \$1.5 million in the Hispanic market. Another addition, at \$1.2 million, is American Express.

There are also some notable absents from the list. Companies that rank among the top 35 advertisers in the general mar-

ket but don't place in our Hispanic market list include entertainment giants Time Warner Inc. and The Walt Disney Co., and Matsushita—the world's largest consumer electronics manufacturer, maker of JVC, Panasonic, Quasar, and Technics.

Other companies that spend heavily on mainstream advertising but don't yet place in our top 50 include such *Fortune* 500 firms as Kellogg Company, Sara Lee Corp., Bristol Myers Squibb Co. (maker of Miss Clairol, Ban, Bufferin, Comtrex, and Excedrin), and Dayton Hudson Corp. (which operates 689 stores under the names Hudson's, Marshall Field's, Dayton's, and Target).

On average, the top advertisers devote 1 percent of their ad budgets to the Hispanic market. Colgate-Palmolive might be an exception, at about 2.7 percent, but this is still a far cry from the Hispanic share of

The Leading Hispanic ADIs—1991 (Ranked by total net media expenditures)

Rank by \$	Rank by Pop.	Market	Net Expenditures in \$M by Medium			
			TV	Radio	Print	Total
1	1	Los Angeles	\$70.5	\$36.7	\$27.5	\$134.7
2	2	New York	30.1	19.8	25.8	75.7
3	3	Miami	23.2	27.5	21.5	72.2
4	6	Chicago	9.4	12.9	3.0	25.3
5	4	San Antonio	8.9	7.1	3.9	19.9
7	5	San Francisco	9.0	6.9	1.3	17.2
8	7	Houston	7.2	3.9	0.9	12.0
6	11	San Diego	6.4	4.3	0.7	11.4
9	13	Dallas-Ft. Worth	4.7	3.9	1.5	10.1
10	8	McAllen-Brownsville	3.4	3.9	1.3	8.6
Totals			\$172.8	\$126.9	\$87.4	\$387.1

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Comparative Market Demographics—1990

Household money income		Hispanic	African American	Mainstream	The aggregate before tax total income for Hispanics rose from \$174 billion in 1989 to \$188 billion in 1990. In addition, the Hispanic population increased, from 21.4 million to 22.4 million.		
Aggregate total:		\$188 billion	\$394 billion	\$3,187 billion			
Median Income:		\$22,330	\$18,676	\$31,231			
Average Income:		\$27,972	\$24,814	\$38,912			
					Hispanic	African American	Mainstream
					Hispanic	African American	Mainstream
By Residence							
Metropolitan Areas		93%	84%	76%			
(Central City)		(53%)	(58%)	(28%)			
(Suburbs)		(40%)	(26%)	(49%)			
Nonmetro Areas		7%	16%	24%			
By Region							
Northeast		18%	18%	21%			
Midwest		7%	20%	26%			
South		32%	54%	32%			
West		44%	8%	21%			
By Household							
Family Households		80%	70%	70%			
(Married Couple)		(56%)	(33%)	(58%)			
(Male no wife present)		(5%)	(4%)	(3%)			
(Female no husband pres.)		(19%)	(32%)	(9%)			
Non-Family Households		20%	30%	30%			
(Male Householder)		(11%)	(14%)	(13%)			
(Male sole resident)		(7%)	(12%)	(9%)			
(Female Householder)		(9%)	(16%)	(17%)			
(Female sole resident)		(7%)	(14%)	(15%)			
By Tenure							
Owner/Householder		39%	42%	67%			
Renter/Householder		59%	56%	31%			
Occupier/paid no cash rent		2%	2%	2%			
By Size of Household							
1 person					15%	26%	25%
2 persons					22%	25%	33%
3 persons					20%	19%	17%
4 persons					19%	16%	15%
5 persons					13%	8%	6%
6 persons					6%	3%	2%
7 or more					6%	3%	1%
By Number of Earners							
1 earner					34%	39%	33%
2 earners					35%	28%	36%
3 earners					10%	6%	8%
4 or more					5%	2%	3%
No earners*					16%	24%	21%
*(Retired, unemployed, etc.)							
By Age of Householder							
15-24					10%	6%	5%
25-34					29%	24%	21%
35-44					25%	24%	22%
45-54					15%	16%	15%
55-64					11%	13%	13%
65-74					7%	10%	13%
75 and older					4%	6%	10%

Source: Census Bureau report Series P-60, No. 174

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Source: Census Bureau report Series P-60, No. 174

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the U.S. population, which is 9 percent.

"For those corporations that have advertised with us for years, the quality of Hispanic media is not an issue—but the return on their investment is," explains Telemundo President Gary McBride. "It's still hard to prove to corporate America that Hispanic media are worth even 4 or 5 percent of the ad dollar pie."

And "the turmoil of the past few years in the country's ad agencies, who serve as media consultants to corporations, has not helped the situation," continues Julio Omana, network vice-president for the Spanish Broadcasting System. "In the course of endless mergers and reorganizations, the people in charge of Hispanic media at large agencies got reshuffled upstairs, and replaced by junior staff who consider the position a stepping stone and often don't know the Hispanic market. So, we've had to start over again."

Another radio insider adds that many agencies seem to forget the Hispanic media in dealing with corporations that have never advertised with them. Which

Methodology

Corporate advertising expenditures in the mainstream media are released openly to the press. But figures concerning individual corporations' investments in the Hispanic market are kept strictly confidential, both by the advertisers themselves and by the Hispanic media.

With two exceptions, J.C. Penney gave us an estimate for its Hispanic market spending, and Foodmakers (Jack in the Box) disclosed specific numbers for each medium.

As a result of this general corporate sensitivity, our figures are "best estimates" obtained through hundreds of confidential interviews with industry analysts and media insiders. All the numbers have been cross checked, again and again.

We have reported *gross* expenditures for the 50 leading advertisers (including commissions taken by ad agencies and media reps for placing the ads). But for the charts on ad dollars spent in each medium and each top ADI, we report *net* expenditures (dollars actually paid to the media—or gross advertiser expenditures minus agency commissions, which average 14 percent).

Radio and Television Effectiveness—1991

ADI	Hispanic Population		Media Coverage	Effectiveness Quotient**
	(in 000s)	(% of ADI)	(Hrs/Week)	
El Paso*	584	68%	3,533	6.05
San Diego*	544	19%	2,582	4.75
Fresno	542	34%	1,920	3.54
Salinas/Monterey	238	28%	817	3.43
Tucson	269	28%	899	3.34
Albuquerque	616	38%	1,739	2.82
Corpus-Christi	404	56%	1,098	2.72
McAllen-Brownsville*	698	88%	1,842	2.64
Houston	859	19%	1,878	2.19
Phoenix	461	16%	973	2.11
San Antonio*	999	49%	2,102	2.10
Denver	312	10%	625	2.00
Dallas/Ft. Worth	526	10%	867	1.65
Sacramento/Stockton	440	14%	664	1.51
Miami	1,103	29%	1,618	1.47
San Francisco/San Jose	987	15%	1,132	1.15
Chicago	985	10%	1,120	1.14
Philadelphia	247	3%	202	.82
Los Angeles	5,195	31%	2,762	.53
New York	2,999	14%	1,266	.42

*Includes nearby stations in Mexico.

**Air time divided by population.

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may partly explain why the list of names on our list of 50 top advertisers has changed relatively little in five years.

As in 1990, local radio captures the lion's share of ad dollars, followed by national TV. The print income figure is considerably higher this year, probably largely because we made a more concerted effort to cover all the publications targeting the Hispanic community nationwide—including Spanish and English-language regional bi-weekly/weekly newspapers and special interest publications, as well as the major daily and monthly publications.

In terms of focus, advertisers concentrated on the three top Hispanic markets—Los Angeles, Miami, and New York—which account for 39.1 percent of the Hispanic population. Spending to reach Hispanics in these three markets averages \$30.40 per capita, compared with \$1.59 per capita for the rest of the country.

We also determined the top Hispanic ADIs in terms of radio and TV "effective-

ness." The resulting "effectiveness quotient" represents hours of air time per week divided by Hispanic population. These quotients have tended to decline since last year even though broadcast hours have increased in most markets, because the Hispanic population count is much higher based on the 1990 Census.

In the El Paso market, for instance, radio and television coverage have expanded by 268 hours in the past 12 months. But the Hispanic headcount also swelled by 76,000 this year, bringing that ADI's effectiveness quotient down by 0.28 percent. One result of this year's tough market is that it "forced all of us to realize that the quality of our media product will be a critical issue for the future," observes Stuart Livingston, vice president/broadcast operations for Galavision. "In a market as slow as 1991, we are competing with mainstream media as well as with each other for our share of the advertising pie." And in that context, we're here to stay. 

Ad Sales Trends: Not Too Shabby

Hispanic market spending growth continues in the face of recession.

By Michelle Vachon

The Hispanic media have managed to score an ad sales increase again this year. Net advertising expenditures in the U.S. Hispanic market are up more than \$105 million since last year—from \$628.2 million to \$733.5 million—a gain of 17 percent.

These numbers are based on reports of actual media spending for the first three quarters of 1991, with projections for the current quarter. As net figures, they represent gross advertiser spending less 15 percent for agency commissions and fees.

Of the \$105 million increase, local Spanish-language television accounts for \$30.2 million, up from \$131.1 million to \$161.3 million. Network and national TV increased by \$29.4 million, from \$142.8 million to \$171.2 million, bringing total Spanish TV advertising up \$60 million in 1991.

Local Spanish radio gained \$21.7 million—from \$156.0 million to \$177.7 million—far offsetting an \$8.3 million dip in national radio from \$55.1 to \$46.8 million.

And print gained \$48 million, up from \$58.9 million in 1990 to \$106.9 million for 1991. A good part of this increase is due to our greater thoroughness this year in covering local print spending, but at least one sector of the Hispanic print market—national magazines—did see a healthy gain in ad spending during 1991. While local newspapers have probably fared better than their mainstream counterparts, they are nevertheless eating recession-related cuts in classified ad spending.

Two areas of decline are outdoor advertising, down from \$17 million to \$14.9 million, and promotions, from \$63.1 million to \$50.2 million.

Today's growing \$733.5 million Hispanic market has come a long way indeed since the trade publication *Broadcasting*

reported total Hispanic radio and TV ad sales of \$5.5 million in 1961. The Census Bureau wasn't even counting the Hispanic population then. But a more recent comparison shows that the media pie has more than doubled in size in just six years. Total spending in 1985 was \$333.5 million.

Regarding future growth, our sources agree the key challenge is to provide advertisers with hard facts on the Hispanic

media's reach. In times of recession especially, advertisers want to spend where they're guaranteed the highest return—where they will reach the most people.

Up to now, the rating methods commonly used to evaluate audience shares in radio and television have failed to reflect the viewing and listening habits of Hispanics. "Advertisers will only be convinced if they see the type of information considered credible in the field," says Peter Von Gal, vice president-national sales for the Univision TV network. So Univision and its key competitor, Telemundo, are paying A.C. Nielsen \$37 million over five years to compile their ratings. They expect to see their ad sales reflecting national Nielsen findings by next fall.

In radio, Birch Scarborough Research, one of the country's two radio rating services, has spent the past two years developing measurement techniques for the Hispanic market. Encouraged by the "staggering" results of their initial tests in Houston and Chicago, Birch will begin full studies in seven or eight designated Hispanic markets this January. (1)

Share of Net Advertising Expenditures in the Hispanic Market—By Medium

This table represents the market share of each medium by year as a percentage of the total net advertising expenditures directed to the U.S. Hispanic market. The media are placed into five groups. Figures for 1991 are estimated.

MEDIUM	PERCENT OF TOTAL EXPENDITURES					
	1986	1987	1988	1989	1990	1991
National TV	16.1	21.2	22.4	20.5	22.7	23.3
National Radio	11.8	9.9	8.2	8.8	8.8	6.4
Group Total	27.9	31.1	30.6	29.3	31.5	29.7
Local TV	19.6	24.1	23.2	20.6	20.9	22.0
Local Radio	20.9	23.2	23.8	25.6	24.8	24.3
Group Total	40.5	47.3	47.0	46.2	45.7	46.3
Independent TV Group	10.6	*	0.2	0.4	**	—
Print Group	8.3	9.6	9.0	9.8	9.4	14.6
Outdoor	3.0	2.9	3.0	3.0	2.7	2.0
Promotion	8.8	8.0	9.3	10.5	10.0	6.8
Transit	0.9	0.9	0.8	0.8	0.7	0.6
Group Total	12.7	11.8	13.1	14.3	13.4	9.4
Grand Total (%)	100.0	100.0	100.0	100.0	100.0	100.0
Grand Total (\$M)	\$398.0	\$490.7	\$550.1	\$583.6	\$628.2	\$733.5
Annual Growth	19%	23%	12%	6%	8%	17%

*Telemundo consolidation eliminated the independent TV category.

**Galavision's move to network status eliminated the independent TV category.

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Viva Leads Miami in Spanish Radio

WAQI-AM and WXDJ-FM combo soars into Florida's first place.

By Humberto Lopes

For Spanish radio this year, Miami may be both the best of markets and the worst of markets. It is number two nationally in radio revenues behind Los Angeles, a market with five times as many Hispanics, and it boasts the stations with the biggest sales gains during 1991. Miami is also the only major market where advertisers have to pay as much per capita to reach Spanish-speaking audiences as they do to reach the mainstream.

But Miami's Spanish radio market is also overcrowded. Three AM-FM combos, one FM standalone, and seven AM standalones—a total of 14 stations—serve the 1.1 million Hispanics in the Miami ADI (area of dominant influence). The three combos are doing fine. They all place in the 10 top-billing stations nationwide.

It's the smaller stations that are generally suffering. In fact, two of Miami's smaller stations are in Chapter 11, and the performance of these minor contenders is largely responsible for an 11 percent decrease since 1990 in the area's total radio billings—to \$27.5 million.

Miami's big success story is the explosive growth of WAQI-AM ("Radio Mambi") and WXDJ-FM ("Radio Ritmo") since the Viva America Media Group Partnership bought them two years ago. This year the combo moved into first place in Miami with net billings of \$16.1 million, up hugely from \$5.6 million in 1990 and displacing long-time leader WQBA-AM/FM, which is down slightly, to \$8.0 million.

Charles Fernandez, president of the Viva America partnership and general manager of the stations, says without exaggeration, "We are ripping!" Mr. Fernandez, together with Amancio J. Suarez and Amancio V. Suarez, owns 51 percent of Viva America. Heftel Broadcasting,

headed by Cecil Heftel, owns the balance.

The setback for WQBA triggered a major management shuffle. Tichenor Media System and Radio WADO Inc., joint owners of WQBA since April 1990 and of New York's WADO-AM, brought radio veteran Herbert Levin back to Miami as

general manager of WQBA-AM/FM. Mr. Levin, who came from WADO in New York, had started in radio at WQBA under its prior owners, and ran the stations from 1967 to 1982. Carlos Rubio replaced him as general manager in New York.

Viva America "raised the price of poker in this city," comments Mr. Levin. He is referring to that company's campaign to recruit key talent for WAQI and WXDJ from the competition, including some of his own stations.

McHenry Tichenor Jr., CEO of Tichenor Media System, further attributes WQBA's loss of market share to employee defection during the nine months Tichenor was negotiating to buy it—from August 1989 to April 1990.

"That's a difficult time in the life of a radio station," Mr. Tichenor says. "When we took over, WAQI/WXDJ were already ahead in audience share." Mr. Tichenor knows about buying radio stations. In addition to the three stations that his com-

Spanish Radio's Top 10 Billing Stations, 1991

Stations	Owner	Percent Hispanic Owned	Net Billings (\$M)	
			1990	1991
1 KLVE-FM/KTNO-AM Los Angeles	Heftel Broadcasting	0%	\$16.4	\$16.3
2 WSKQ-AM & FM New York	Spanish Broadcasting System	100%	\$11.2	\$12.9
3 KWKW-AM Los Angeles*	Lotus Communications	0%	\$9.0	\$10.3
4 WAQI-AM/WXDJ-FM Miami	Viva America Media Group Partnership	51%	\$5.6	\$10.1
5 WQBA-AM & FM Miami	Spanish Radio Network**	0%	\$8.6	\$8.0
6 WIND-AM/WOJO-FM Chicago	Tichenor Media System	0%	\$7.7	\$7.4
7 WCMQ-AM & FM Miami	Spanish Broadcasting System	100%	\$8.8	\$6.1
8 WADO-AM New York	Spanish Radio Network**	0%	\$5.8	\$6.0
9 KSKQ-AM & FM Los Angeles	Spanish Broadcasting System	100%	\$4.7	\$4.1
10 KBRG-FM/KLOK-AM San Francisco/San Jose	Radio America/ Bahia Radio	100%	\$3.4	\$3.4

*Top Billing individual station

**Owned by Tichenor Media System and Radio WADO Inc.

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Eduardo Caballero runs the grandfather of all Spanish-language radio rep firms, Caballero Spanish Media, where many other successful Hispanic radio reps got their training.

pany owns jointly with Radio WADO, it currently owns eight other stations, including Chicago's top combo, and has a minority share in two more.

With Spanish radio net billings of \$36.7 million, the Los Angeles market is one-third bigger than

Miami's. But with its Hispanic population of 5.2 million versus Miami's 1.1 million, Los Angeles is by far the biggest Hispanic ADI in the United States.

This means radio advertising penetration is still relatively low in Los Angeles, which may partly explain why billings grew

Caballero Still No. 1 Radio Rep

Virtually all national Spanish radio advertising is placed through four rep firms (the middlemen through which most advertisers buy their radio time). The largest rep firm is New York-based Caballero Spanish Media, with an estimated 42 percent of the market.

Founded in 1973 by Eduardo and Raquel Caballero, Caballero Spanish Media is both the first and the largest Spanish radio rep firm in the country. Mr. Caballero, who was born in Cuba

and obtained a doctorate in law there in 1956, emigrated to the United States in 1961. As president of Caballero Spanish Media, he represents 84 Spanish radio stations, covering markets that account for more than 85 percent of U.S. Spanish-speaking consumers.

Other radio rep firms include Katz Hispanic Radio with 32 percent of the market, the Spanish Broadcasting System with 12.5 percent, and Lotus Hispanic Reps, also with 12.5 percent.

close to 6 percent overall in 1991, while other major markets declined.

The top Los Angeles combo, Heftel Broadcasting's KLVE-FM and KTNQ-AM, continues to lead the nation in total billings, as it has since **HISPANIC BUSINESS** began tracking radio spending four years ago. But with \$16.3 million in billings, the Heftel combo has not grown in 1991.

"We've adapted to the softening economy with a whole new area of business, a promotional division," says Ken Wolt, Heftel's president and the general manager of KLVE and KTNQ. This initiative, which essentially involves sponsorship of giant festivals, is the latest in a series of pioneering changes for the combo.

The first radical action, taken when Heftel bought the stations in 1985, was to cut the number of commercials by more than 50 percent and improve the sound.

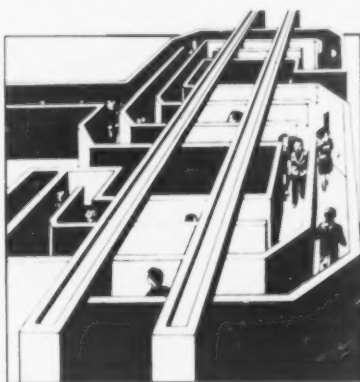
"We had to increase the price of the commercials to keep up the revenue, and it proved to be a risk worth taking," Mr. Wolt explains. Nevertheless, unlike stations in Miami, he says they are "still priced at half of what we should be compared with the general market."

The Spanish Broadcasting System (SBS) combo in Los Angeles, KSKQ-AM/FM, has ranked well below the Heftel stations in past years. But that equation has just changed, says SBS chief executive Raul Alarcon Jr.

For more than three years Mr. Alarcon has been working to relocate the KSKQ-FM transmitter so that it will cover the northern half of the Los Angeles area as well as it has covered the southern half. Now, with a new 50,000 watt transmitter in suburban Baldwin Hills on the air in the last quarter of 1991, "for the first time I will be a real competitive force on FM," Mr. Alarcon says.

While the SBS stations rank no better than third in either Miami or Los Angeles, their New York combo is the dominant force in the nation's second largest Hispanic ADI. WSKQ-AM/FM, the country's second largest Spanish-language combo, had an excellent year, with billings increasing at least 15 percent.

When SBS purchased WSKQ-FM three years ago for \$55 million, it paid the highest price ever for a New York radio station. And the debt it took on to do that—in the go-go '80s—has become a drag in the slow-slow '90s. Still, Mr. Alarcon has no regrets. "I'd do it all over again in minus 15 seconds," he exclaims. (T)



Hispanic-Serving Colleges Listed

The Hispanic Association of Colleges and Universities (HACU) annual report identifies 115 accredited, nonprofit "Hispanic-serving institutions of higher learning" (HSIs)—colleges or universities where Hispanic students constitute at least 25 percent of total enrollment. Eighty-one of the HSIs are in the continental United States and 34 are in Puerto Rico. California tops the list in the continental United States with 24 HSIs, and Texas follows with 21. Hispanic enrollment in the continental HSIs ranges from 25 to 99 percent. St. Augustine College, a private two-year institution in Chicago, is the "most Hispanic" of the continental institutions, with 99.3 percent Hispanic enrollment. Two other colleges with a high percentage of Hispanic students are Boricua College, a private, four-year institution in New York City with 93.4 percent Hispanic enrollment, and Laredo Junior College, a two-year public college in Laredo, Texas with 91.1 percent Hispanic enrollment. The largest number of Hispanic students at any school in the continental United States or Puerto Rico is at Miami-Dade Community College, where 28,736 of the school's 54,644 students are Hispanic.

Job Requirements Explained

The Department of Labor's revised fourth edition of the *Dictionary of Occupational Titles* reflects new changes in the workplace and in the skills required for many jobs. "The dictionary is the most comprehensive single source of information about jobs in the United States," says Robert T. Jones, assistant secretary for employment and training. This information "offers a starting place to look for

required training, education, career guidance, employment counseling, job definition, and wage restructuring." Many of the occupational categories include new job listings, especially in the areas of computer science, medical services, pollution control, and the aircraft industry. In the area of television production alone, more than 12 new or revised jobs have been added since the last edition of the dictionary was issued 14 years ago.

Americans Support Student Aid

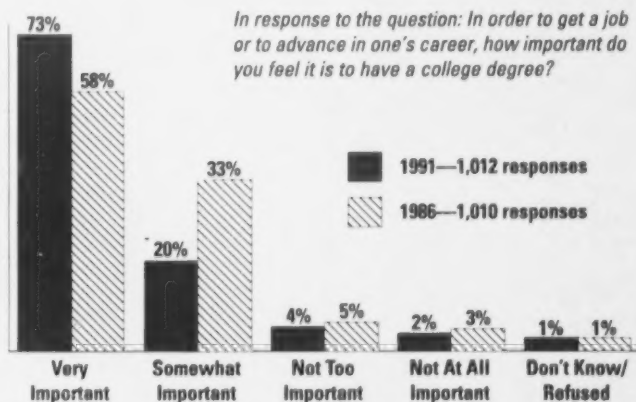
Americans put more emphasis on a college education as a major factor in getting a job or advancing a career than they did five years ago, according to a recent survey conducted by The Gallup Organization. The proportion of people who think it is vitally important to have a college degree has increased 15 percent since 1986—today 73 percent believe it is very important to have a college degree in order to get a job or advance in a career, compared with 58 percent five years ago. The survey also found a significant increase in support for student grants and loans. Sixty-two percent of the respondents strongly favor grants to low income students, compared with only 55 percent in 1986, and 62 percent favor low interest loans to middle income students, compared with 54 percent five years ago. "It's no wonder the public is becoming concerned about the affordability of higher education," says

Robert H. Atwell, president of the American Council on Education. "But this survey sends an important signal to policy makers and elected officials—the American people recognize the importance of a college education. They support programs to assist low and middle income students, and that support is growing," he adds.

Construction Women Get Constructive

Professional Women in Construction (PWC) is a national nonprofit organization headquartered in New York City that provides support and networking services to women (and men), W/MBEs, and small businesses actively engaged in construction and real estate related businesses. The organization's objective is to provide members with access to procurement personnel and decision makers in major corporations and government agencies through monthly meetings and special events, such as the annual PWC Trade Show held last month in New York. Associate sponsors of this annual event included the National Association of Women Business Owners, Construction Management Association of America, the American Association of Cost Engineers, the U.S. Small Business Administration, the National Association of Minority Contractors, the American Women's Economic Development Corporation, the New York Society of Architects, and the NY/NJ Minority Purchasing Council.

The Importance of a College Degree



Source: Council for Advancement and Support of Education, 1991

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CHANGING TIMES



*Who's Hiring,
Who's Not.*



National Automotive
Purchasing Survey

Hispanic BUSINESS

February 1992

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Richard Lujan, a member of the USHCC board, wants to refine the way decisions are made.



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Cover

Photos courtesy of Career Communications Group Inc. in Baltimore. This month's cover design by Buffalo Brothers Studios West.

As we go to press, the country's long buildup of economic woes is at last beginning to have an impact on the policy makers in Washington. Fed Chairman Alan Greenspan has said in sobering remarks before Chairman Dan Rostenkowski's Ways and Means Committee that this economic climate is the "worst ever" in his lifetime, and the White House is saying that our domestic agenda must receive at least equal priority with foreign affairs.

The Fed has already brought its discount rate down to the lowest point since 1964—a certain shot in the arm for both businesses and consumers now planning their spending priorities. Ultimately, however, it is the vibrancy of consumer spending that drives the economy today. And the state of the nation's employment markets determines trends in consumer spending. Right now, overall job formation seems to be at a standstill. Small business, the engine of job formation during the '80s, is fighting to hold the line. This month's investigation of trends in compensation highlights an increasing emphasis on

"As always, there are some positives to be found in dislocation."

benefit cost control and performance-based pay, for example.

Meanwhile, big business downsizing has apparently not yet run its course. As our cover story indicates, the nation's job markets are going through more than a recession: they're involved in a reformation of global business markets requiring major changes in almost every aspect of the business system.

But as always there are some positives to be found in dislocation. One is that Hispanic professionals—particularly those who are bilingual—are finding unprecedented opportunities in international business with both foreign and U.S.-based companies. The emphasis, of course, is on the prospect of increasingly brisk trade with Mexico and Latin America.

And as the nation's work force and consumer markets diversify, the need for minority group managers able to deal with diversity grows.

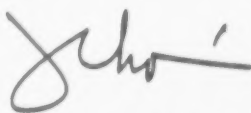
Also, all those newly "streamlined" corporations will be depending more on subcontractors, a natural opportunity for America's fast growing Hispanic business population. This issue celebrates the launch of **HispanLink**, a database service that Hispanic Business Inc. now offers to corporations and minority companies wanting to develop their purchasing vendor networks.

Another result of a fast expanding Hispanic business sector is a big demand for Hispanic professionals to serve it. Hence the article by Sarah Acosta on opportunities in the accounting profession.

Then there's the matter of economic clout. Our biggest ever national survey of Hispanic business fleet expenditures—tabulated by Decision Sciences Research Associates in Pasadena—depicts a \$7 billion market to be wooed by an increasingly hungry automotive industry. Responses from a questionnaire sent to 20,000 subscribers whose companies purchase trucks, vans, cars, tires, and repair services show that U.S. makers are far in the lead. But as the article explains, they (or their foreign competitors) might well do better with the right marketing stuff.

Finally, the report by Rick Mendosa on biased hiring practices in a heavily Hispanic Los Angeles County demonstrates why we must apply this growing consumer clout more forcefully as a political tool.

Look for more on that one as this critical election year progresses.



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GM and Ford Dominate Fleets

Biggest ever business fleet survey tells what's selling—and why.

General Motors and Ford are overwhelming favorites among the Hispanic entrepreneurs and professionals we polled. But, the respondents say, that isn't because the vehicles are "Made in America." It's a perception of value, not patriotism, that keeps most of the Hispanic business sector buying American.

These findings come out of an automotive fleet buying survey that was sent to 20,000 **HISPANIC BUSINESS** subscribers across the nation.

Decision Sciences Research Associates in Pasadena, California, tabulated the returns for us. The firm's president, Dr. Charles Hubay Jr., reports that 70.8 percent of the survey respondents are company presidents, business owners or directors, or self-employed professionals—mostly doctors and lawyers. Of the rest, 9 percent are vice presidents, 10.5 percent are general managers or senior managers, and the remaining 9.7 percent work in key sales or technical positions.

Previous **HISPANIC BUSINESS** automotive buying surveys have focused only on the country's biggest Hispanic owned businesses—the **HISPANIC BUSINESS 500**. That group spent about \$14.8 million on their fleets in 1990.

This year's survey focuses on the multitude of smaller Hispanic owned enterprises that make up the bulk of the U.S. Hispanic fleet-buying market. Half of the respondents report that their firms have fewer than six employees. They own or lease an average of 4.8 vehicles per company: 3.2 passenger cars, 1.3 trucks, .33 vans. Only about 12.8 percent of those surveyed report that their companies use 10 or more vehicles.

But collectively they are big.

Based on what these respondents are

spending, the country's 500,000-some Hispanic owned businesses currently spend more than \$7 billion each year on automotive products.

Among the American nameplates, Fords account for 21.6 percent of the surveyed companies' fleets. Chevrolet (GM) is second with 16.3 percent. Buick (GM, passenger cars only) ranks third with 10 percent. Chrysler follows with 5.9 percent.

By manufacturer, however, General Motors outranks everybody. The six major General Motors lines—Cadillac, Buick, Oldsmobile, Pontiac, Chevrolet, and GMC Trucks—account for just over 40 percent of the small business market. Ford Motor Company's Ford,

They Counted the Cars

The 1992 **HISPANIC BUSINESS** automotive purchasing survey went out to a selected group of 20,000 **HISPANIC BUSINESS** subscribers. These people—business owners, executives, and self employed professionals—were chosen because their companies purchase automotive products.

And since the survey was so big, we asked a well respected outside research firm to design the questions and tabulate responses. That firm is Decision Sciences Research Associates, a "decision-support consulting" specialist that is headquartered in Pasadena, California and maintains branch offices in Philadelphia, Sacramento, Colorado Springs, and Boca Raton, Florida.

Headed by Dr. Charles Hubay Jr., Decision Sciences specializes in customer satisfaction analysis. Such analysis often involves market research and development of statistical models to describe the components of customer satisfaction for selected products/markets. The

implications of these analyses are written up in easy-to-interpret reports.

The company assists clients in a spectrum of industries, including automotive products, utilities, health care, insurance, and retail sales.



The Decision Sciences team that analyzed the 1992 automotive survey results includes the company's President, Charles Hubay Jr. (left), Survey Processing Supervisor Lorena Arias, and Production Programmer Dwight Greene.

Lincoln, and Mercury account for just under 25 percent.

Among foreign makes, Toyota leads with 6.4 percent, followed by Honda (passenger cars only) with 4.7 percent, Nissan with 4 percent, and Mazda with 2.2 percent of the vehicles identified.

What are the most important factors in the Hispanic business sector's vehicle buying decision? Reliability and quality of workmanship. Next come affordability and maintenance costs. Other factors like fuel economy, handling, and roominess are of less concern. Resale value ranks in the lower third of concerns, along with "Made in America" status, styling, and prestige.

In short, Hispanic business buyers look for sound investments that provide good returns for their dollars, instead of following more variable consumer trends.

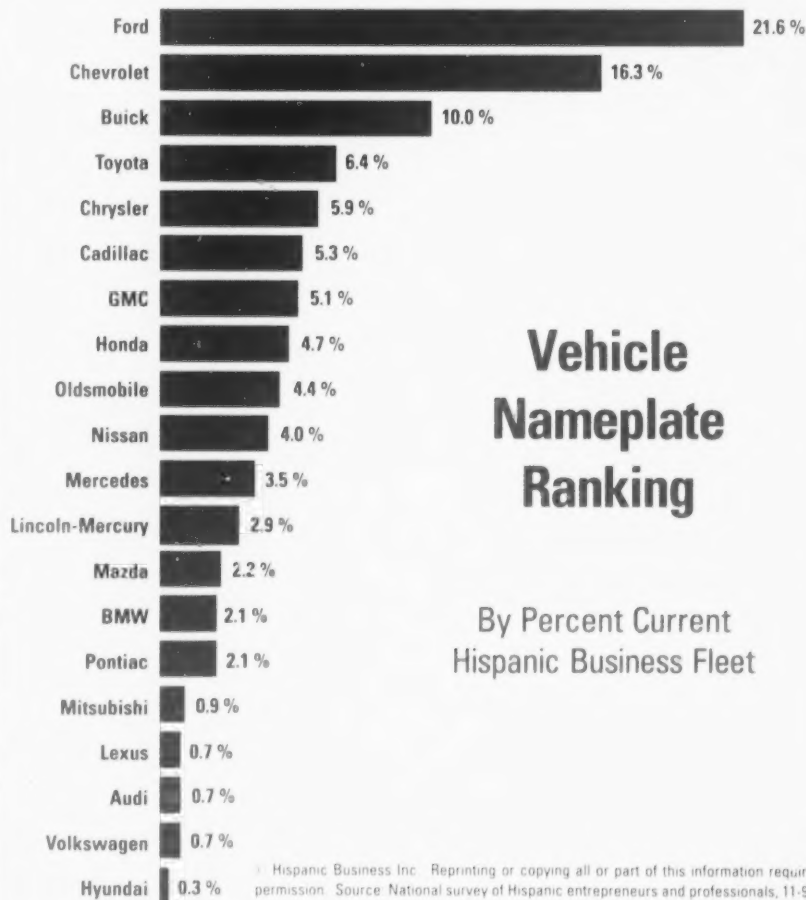
In terms of vehicle usage, 66 percent of the respondents' vehicles are used for sales, 40 percent for deliveries, 30 percent as management perks, and 21 percent for hauling. Obviously, many of the vehicles serve multiple purposes, and few are simply the personal cars of business owners. Rather, they are a very carefully considered business investment.

Fully 45 percent of the respondents' total van fleet is leased, along with 40 percent of all passenger cars, and 18 percent of all trucks. Like the larger **HISPANIC BUSINESS 500** companies, these smaller businesses tend to get much of their fleet financing through ongoing relationships with banks (for 65 percent of their automotive purchases), but will also take advantage of low-interest dealer loans where available (for 35 percent of purchases).

Just over 39 percent of respondents say their company has plans to increase its fleet in the next two years. And their projections of automotive purchases show that on average they'll buy or lease just over two new vehicles per business during 1992. They'll be replacing their old ones at



*It takes a lot of Ford trucks to deliver all the Miller Beer Miami wants. Gato Distributors, headed by Juan Galan Jr. (left) and partner Al Cueto, is 48 on the **HISPANIC BUSINESS 500**.*



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the 79,000 mile mark, on average.

And what will they be buying in '92? Domestic vehicles are the clear favorites for both purchases and leasing; they'll make up 69.5 percent of planned acquisitions. Asian imports will capture 23.1 percent, and European imports 7.4 percent of new fleet investments.

As for size, 40.9 percent plan to get full

Importance of Purchase Decision Factors

Factor	Rank
Reliability	1
Quality of workmanship	2
Affordability	3
Maintenance cost	4
Safety	5
Fuel economy	6
Handling	7
Roominess	8
Resale value	9
Made in U.S.A.	10
Styling	11
Prestige	12

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Chrysler products including power haulers like this big cab 1992 Dodge LE 4X2 help keep American makes in the lead among half a million Hispanic-owned enterprises.

size autos and 28.1 percent plan to get compacts. But fewer respondents plan to buy or lease utility vehicles this year—5.7 percent intend to get minivans, and 7.0 percent full size vans. Likewise, 9.7 percent of the respondents say that they will buy or lease light trucks, and 8.5 percent medium or heavy duty trucks.

We also asked respondents to specify the number of vehicles they anticipate buying in different price categories. The

largest share of new vehicles—56.5 percent—will cost between \$12,000 and \$20,000. Another 18.1 percent of purchases will come in at between \$20,000 and \$30,000, 8.1 percent will carry stickers between \$30,000 and \$40,000, and 4.5 percent will cost more than \$40,000. Only 12.7 percent plan to buy vehicles that are priced under \$12,000.

When asked for a forced weighting of four other factors in the purchase decision, the average respondent says luxury and economy are about equally important—at 35.9 percent and 34 percent of the decision, respectively. Cargo room is 20 percent of the choice, and sportiness just 10.1 percent.

Most of the new cars and trucks will include accessories—55.4 percent will have radio/cassette players; an additional 25.8 percent will get stereo/cassette upgrades. And 53.8 percent intend to purchase extended warranties. Almost half of the respondents—46.5 percent—mentioned anti-theft devices, followed by rust protection at 37.8 percent and paint protection at 26.9 percent.

On average, the companies covered by the survey plan to buy nine tires this year. Of these the most often named brand is Michelin, at 39.3 percent, fol-



The six General Motors lines, including Pontiacs like this 1992 Grand Am GT Sedan, make up the biggest share of automotive purchases by the nation's Hispanic owned businesses.



Irma Elder poses with part of her business fleet. She deals in Ford and Chrysler products through her Signature Ford, Lincoln, Mercury, Jeep, Eagle outlet in Owosso, Michigan and her Troy Ford outlet and Troy Leasing business in Troy, Michigan.

lowed by Goodyear at 33.5 percent, Firestone at 15.8 percent, Bridgestone at 9 percent, and Pirelli at 6.3 percent.

Survey respondents also told us about the service providers they use for vehicle maintenance and parts. For this question

% Planned Purchases 1992

SIZE:	
Full size auto	40.9 %
Compact auto	28.1 %
Mini van	5.7 %
Full size van	7.0 %
Light truck	9.7 %
Medium heavy truck	8.5 %
COUNTRY OF ORIGIN:	
USA	69.5 %
Asia	23.1 %
Europe	7.4 %

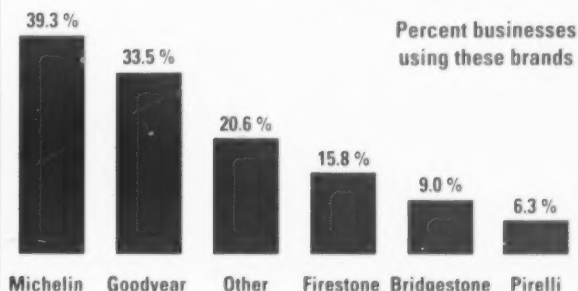
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we specified the service trade names "Mr. Goodwrench," "Quality Care," and "Mopar" without identifying the manufacturers associated with each name. The respondents clearly recognize the services/makers, and generally buy service from the companies that manufactured their U.S.-made vehicles.

GM's "Mr. Goodwrench" leads, with nearly 40 percent of the survey group who responded to this question, followed by Ford's "Quality Care" at 36 percent and Chrysler's "Mopar" at 23.7 percent. The quick recognition of these broadly advertised maintenance services indicates that foreign manufacturers might be able to profit from providing brand name advertising for their service activities.

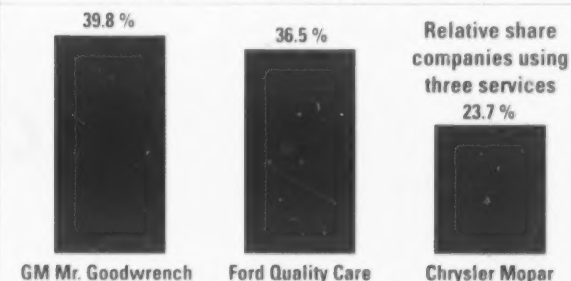
When asked about the sources of information they consult when shopping for new business vehicles, many people—61.1 percent—say they go by their own previous ownership experience. Other sources mentioned are auto publications (25.8 percent), personal referrals (21.8 percent), Hispanic publications (13.5 percent), business magazines

Tire Brands Ranking



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Domestic Service Providers



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(10.5), newspapers (9.2), and TV (5.5).

Finally, our survey asked what improvements these entrepreneurs and professionals would like to see in the products of domestic and foreign auto manufacturers. Their answers tend to indicate that the choice between domestic and foreign is often one of price versus quality—the two key components of value.

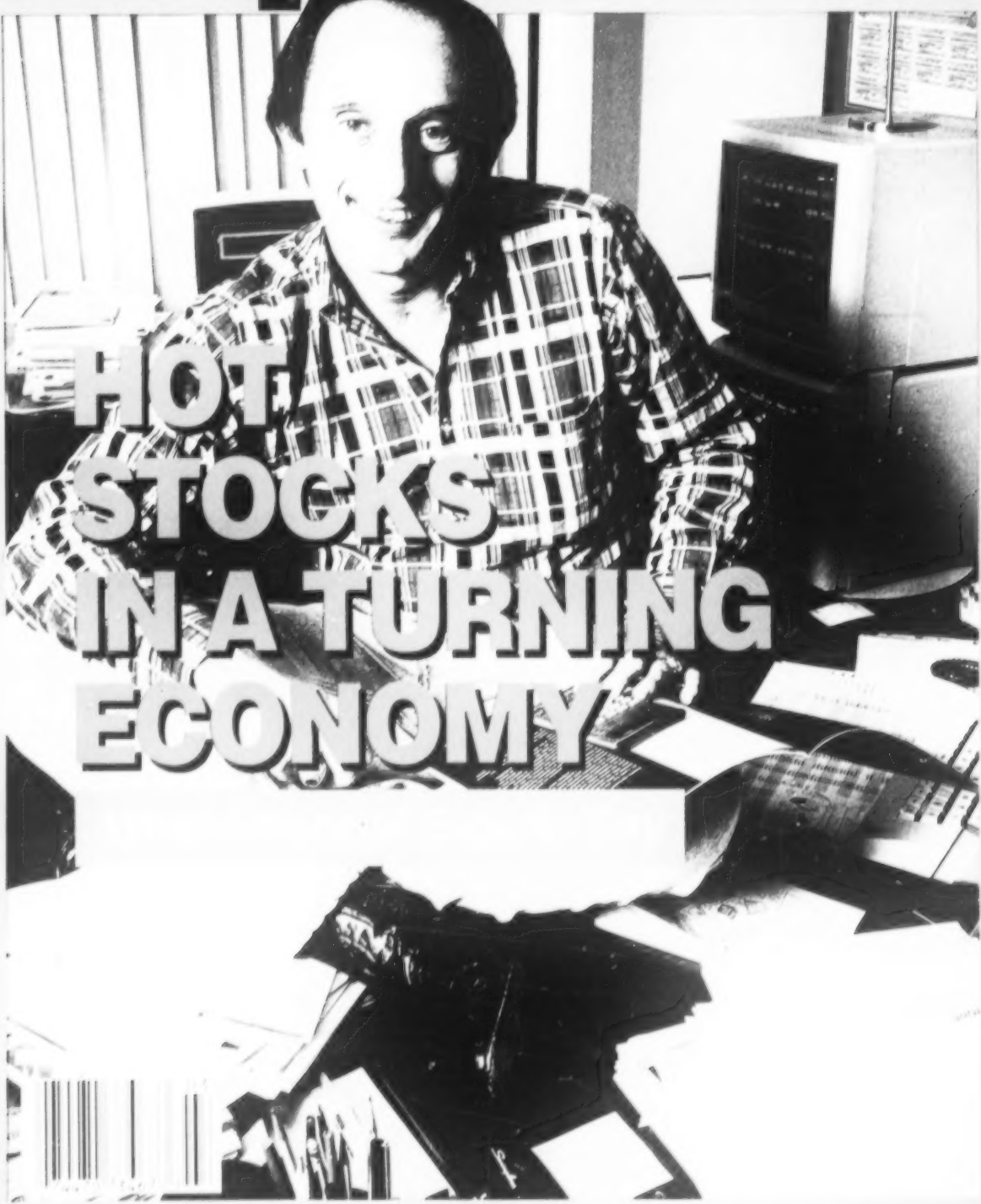
From the U.S. makers, 51.5 percent of the respondents would like to see an improvement in quality/reliability/durability. Price is also mentioned by 11.2 percent. For foreign makers, by comparison, more affordable price comes first (27.7 percent), with improved maintenance costs second at 11.5 percent.

All of which raises a question. If these small Hispanic enterprises tend to base their purchase decisions more on past ownership experience than on current media assessments, does this mean the American makers aren't capitalizing fully on recent quality and service improvements? The survey shows that Hispanic companies tend to buy American, but could this trend be stronger? 

MARCH 1992

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**HOT
STOCKS
IN A TURNING
ECONOMY**



Hispanic BUSINESS

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Robert Rodriguez manages two mutual funds. Photo by Michael Jacobs. This month's cover design by Buffalo Brothers Studios West.

One of this magazine's major purposes is to highlight the growth of the Hispanic economic base in America. We do this in a variety of ways. By measuring the growth of Hispanic companies and spending power. By tracking Hispanic penetration of various professional groups. And by listing the expanding numbers of Hispanics in corporate executive positions and government.

This issue is devoted to highlighting Hispanic involvement in the money and financial markets—both domestic and foreign. The timing could not be better, and the topic of asset management could not be more crucial.

The economy may be anemic and sluggish overall. But there are still ways to make money by investing in selected growth sectors. Our cover story, "White-water Rafting in a Fast Market," provides investment tips from a dozen or more leading financial advisors...men and women who are responsible for investments worth billions of dollars.

A separate article—"Who's Who in Finance"—lists registered Hispanic-owned financial services firms, and subsidiaries of Mexican brokerage houses.

One of the experts, Albert Vilar of Amerindo Investment Advisers in San Francisco, manages a portfolio worth more than \$1 billion. He increased the value of that portfolio by 83 percent last year alone. But you don't get returns like that playing a cautious, middle-of-the-road game. Mr. Vilar concentrates on some of the highest growth-potential, highest-risk investments out there—which right now are biotechnology and electronics companies.

Biotechnology stocks overall had a fabulous year in 1991. As outlined in our article on the year's top performing stock mutual funds, those in the health/biotechnology funds category had an average return of more than 74 percent last year. The gamble is that many of these stocks are priced for their potential, not actual, earnings. Some of the highest flying biotech offerings have in fact never earned anything.

Somewhat less expensive even after an incredible year are stocks in Mexican companies ("Mexico's Bolsa Grows Up and Up"). One company in particular, Telefonos de Mexico, has won a huge following here since it was listed in May on the New York Stock Exchange. Even investors who prefer to spread the risk by investing in Mexican stocks through special mutual funds have seen remarkable things happen on Mexico's booming exchange. For example, an investment of \$10,000 in the Mexico Fund five years ago would have been worth \$64,900 at the end of 1991.

Other potential sources of profits are the "cyclical stocks" associated with industries like construction that are tied to cycles in the overall economy. These are beginning to nose up as we go to press: a gamble on the timing of recovery.

Then there are experts like \$350 million mutual fund manager Robert Rodriguez (on our cover) who specialize in identifying stocks that are "undervalued"—priced lower than their performance might indicate. Many of these are small companies that have a long positive performance record but because of their size are not well covered by the press or Wall Street. Small company growth mutual funds averaged returns of almost 52 percent last year.



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Hot Times for Stock Mutual Funds

*Health/biotech funds turned
in a stunning performance for 1991.*

By Humberto Lopes

The 1,233 U.S. open-end stock mutual funds that Lipper Analytical Services tracked in 1991 returned an average 30.66 percent to investors. That was the best mutual fund showing in 24 years, and better than the Standard & Poor's 500 Index for the first time since 1982.

But it was just the average for the 19 mutual fund categories that Lipper tracks.

Funds specializing in health and biotechnology increased a whopping 74.32 percent last year, and seven other categories provided returns higher than the 30.66 percent average in 1991.

These attractive figures demonstrate why individuals and institutions invest in mutual funds—which are essentially pools of capital raised from a group of share-

holders and invested in stocks chosen by a professional fund manager.

The listing below reports on the five top earning funds in each above-average performing category for 1991. But it's important to note, says Lipper's CEO, Michael Lipper, that these numbers are "a measure of the past, not a prediction of the future." So to illustrate how the tides of fortune change, the listing also reports the five top earning funds in these categories over five- and 10-year periods. Few names have held the lead over time. And several categories have emerged in just the past 10 years.

In general, value-based investments didn't do as well as growth-based ones in 1991, says Mr. Lipper. "Consequently, there's a valuation gap in the market. Stocks selling high have been winning lately over those that are selling low. But at some point these trends will converge."

And foreign investments did not do as well as domestic ones—with the exception of Latin America, where "there were some spectacular numbers." (X)

Top Earning Mutual Funds/Categories (Percent return)

IN 1991		PAST FIVE YEARS		PAST TEN YEARS	
Health/Biotechnology Funds		Health/Biotechnology Funds		Health/Biotechnology Funds	
	74.32%		238.27%		1,021.16%
1. Oppenheimer Global Biotech*	121.13	1. Financial Portfolio Health	378.06	1. Fidelity Select Health Care	1,021.16
2. Fidelity Select Biotechnology	99.05	2. Fidelity Select Biotechnology	316.18		
3. Financial Portfolio Health	91.81	3. Fidelity Select Health Care	251.34		
4. Fidelity Select Health Care	83.56	4. Fidelity Select Medical Delivery	232.24		
5. Fidelity Select Medical Delivery	77.83	5. Vanguard Specialized Hlth. Care	190.30		
Financial Services Funds		Financial Services Funds		Financial Services Funds	
	60.64%		78.15%		346.81%
1. Fidelity Select Brokerage	82.26	1. Financial Portfolio Financial	130.55	1. Fidelity Select Financial Service	348.02
2. Financial Portfolio Financial	74.00	2. Fidelity Select Regional Banks	102.87	2. Century Shares Trust	345.60
3. Fidelity Select Regional Banks	65.79	3. Freedom Regional Banks	97.83		
4. PaineWebber Reg. Fin. Growth	65.46	4. Century Shares Trust	82.66		
5. Fidelity Select Savings/Loan	64.61	5. PaineWebber Reg. Fin. Growth	81.28		
Small Company Growth Funds		Small Company Growth Funds		Small Company Growth Funds	
	51.57%		94.13%		257.05%
1. Montgomery Small Cap	98.75	1. Alger Small Capitalization	216.27	1. Mass. Fin. Emerging Growth	416.88
2. United New Concepts	88.26	2. Hartwell Emerging Growth	203.38	2. Pennsylvania Mutual	368.54
3. MFS Lifetime Emerging Growth	87.62	3. Oppenheimer Discovery	166.91	3. Acorn*	366.53
4. Oberweis Emerging Growth	87.06	4. MFS Lifetime Emerging Growth	162.46	4. Kemper Summit	365.65
5. John Hancock Special Equities	85.00	5. Janus Venture*	156.68	5. Hartwell Emerging Growth	346.73

* Closed to new investors.

Continued on next page

Top Earning Mutual Funds/Categories, cont. (Percent return)

IN 1991		PAST FIVE YEARS		PAST TEN YEARS	
Science & Technology Funds	45.40%	Science & Technology Funds	90.23%	Science & Technology Funds	290.40%
1. Financial Portfolio Technology	76.88	1. Financial Portfolio Technology	152.28	1. United Science & Energy	411.91
2. Fidelity Select Devel. Commun.	61.39	2. Fidelity Select Telecommun.	142.83	2. Kemper Technology	296.54
3. T. Rowe Price Science/Tech.	60.17	3. United Science & Energy	140.39	3. Franklin Custodian Dynatech	291.89
4. United Science & Energy	59.25	4. Seligman Commun. & Info.	129.44	4. Fidelity Select Technology	247.50
5. Fidelity Select Technology	58.97	5. Franklin Custodian Dynatech	119.50	5. John Hancock Tech. Nat'l Aviat.	204.14
Capital Appreciation Funds	38.82%	Capital Appreciation Funds	87.29%	Capital Appreciation Funds	300.23%
1. American Heritage	96.59	1. Twentieth Century Ultra	237.57	1. Twentieth Century Ultra	525.88
2. Twentieth Century Ultra	85.45	2. Pacific Horizon Aggress. Growth	176.69	2. AMEV Growth	493.58
3. ABT Emerging Growth	77.23	3. Twentieth Century Growth	170.34	3. Special Portfolios Stock	475.89
4. MIM Stock Appreciation	73.97	4. Janus Twenty	170.24	4. Putnam Voyager	474.95
5. Delaware Group Trend	74.49	5. Aim Constellation	169.92	5. Janus	474.19
Growth Funds	36.01%	Growth Funds	89.16%	Growth Funds	315.22%
1. CGM Capital Development	99.08	1. Berger One Hundred	211.02	1. CGM Capital Development	880.97
2. Berger One Hundred	88.81	2. Idex II	198.63	2. Fidelity Magellan	733.20
3. Twentieth Century Giftrust	84.61	3. Equity Portfolio Growth	193.16	3. New England Growth	619.94
4. Vista Capital Growth	70.74	4. Idex	192.11	4. AIM Weingarten	588.80
5. Pasadena Growth	67.83	5. Twentieth Century Giftrust	178.00	5. Phoenix Growth	554.42
Real Estate Funds	33.12%	Real Estate Funds	47.32%	Real Estate Funds	N/A
1. United Services Real Estate	55.35	1. Fidelity Real Estate Investment	47.32		
2. Fidelity Real Estate Investment	39.19				
3. Templeton Real Estate	34.41				
4. PRA Real Estate	23.58				
5. Evergreen Global Real Estate	13.09				
Specialty/Miscellaneous Funds	32.31%	Specialty/Miscellaneous Funds	76.67%	Specialty/Miscellaneous Funds	156.02%
1. Fidelity Select Retailing	68.13	1. Fidelity Select Food/Agriculture	177.32	1. Neuberger & Berman	
2. MFS Managed Sectors	62.08	2. Fidelity Select Retailing	165.40	Selected Sectors	210.31
3. MFS Lifetime Managed Sectors	59.57	3. MFS Lifetime Managed Sectors	145.29	2. Rochester Tax Managed	101.72
4. Fidelity Select Transportation	54.14	4. Financial Portfolio Leisure	143.35		
5. Financial Portfolio Leisure	52.71	5. MFS Managed Sectors	120.44		
All Stock Funds	30.66%	All Stock Funds	79.80%	All Stock Funds	302.85%
1. Oppenheimer Global Biotech*	121.13	1. Financial Strategic Hlth. Science	378.06	1. Fidelity Select Health Care	1,021.16
2. CGM Capital Development	99.08	2. Fidelity Select Biotechnology	316.18	2. CGM Capital Development	880.97
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5. American Heritage	96.59	5. Fidelity Select Medical Delivery	232.24	5. Aim Equity Weingarten Retail	588.80

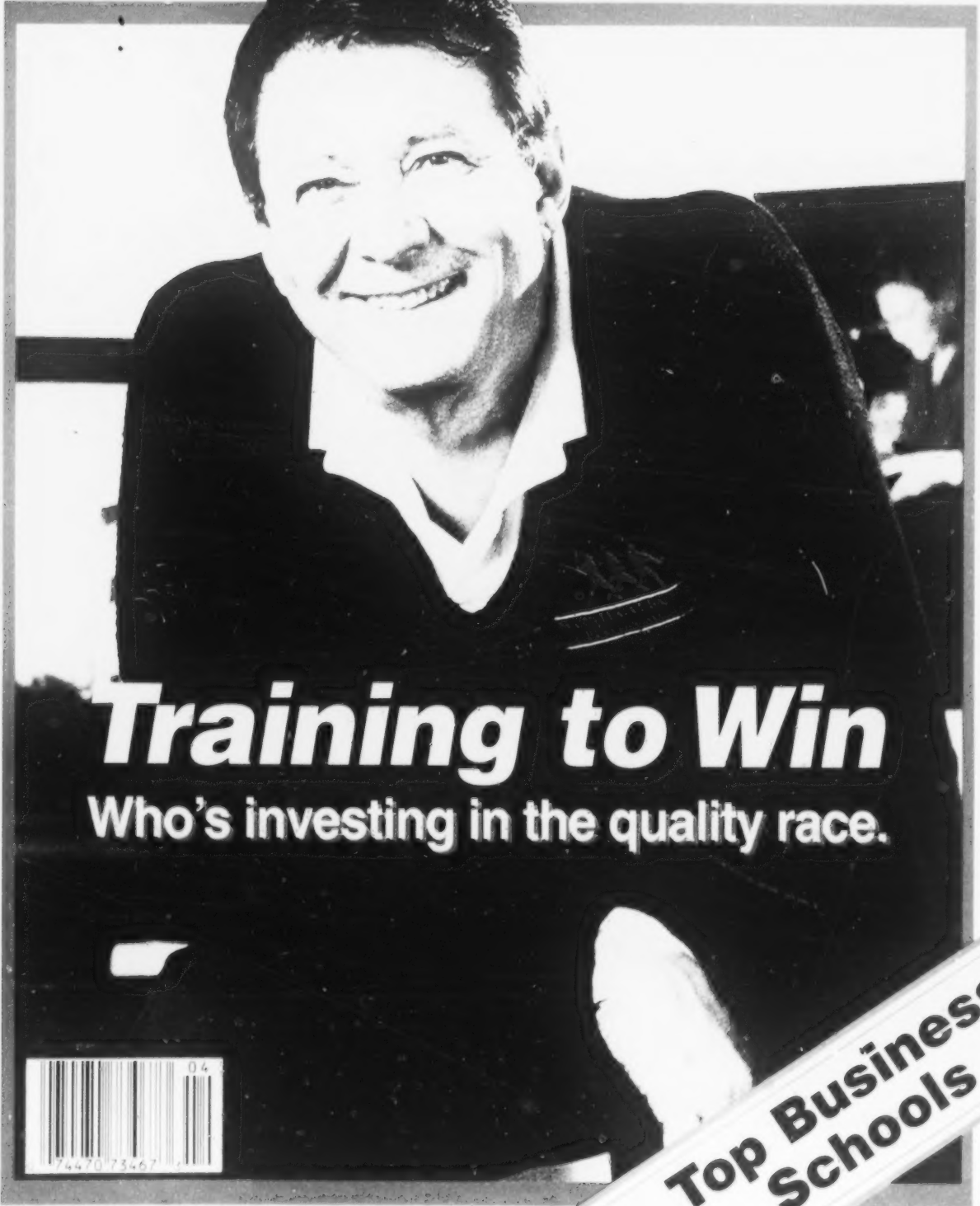
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APRIL 1992

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Training to Win

Who's investing in the quality race.



**Top Business
Schools**

Hispanic BUSINESS

April 1992

Volume 14, Number 4



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Frederick Ruiz, CEO of Ruiz Food Products in Dinuba, California won a \$1.5 million grant for employee education.



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Ed Pastor is Arizona's first Hispanic member of Congress.

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Mexican Industries in Michigan CEO Hank Aguirre. Cover by Buffalo Brothers Studios West.

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Mention education in the context of the Hispanic community, and bilingual education immediately springs to mind. Or the dropout rate. Or problems with the schools. Public policy remedies are needed to benefit future generations of students, and an organized business community can do much to press for such remedies.

But half a million Hispanic owned companies—like the rest of the U.S. business community—have to deal right now with the bottom line results of an inadequate school system. If we don't train the current work force to be as productive as any in the world, nobody's going to do it for us.

Little information exists on the extent of in-house training nationwide, so we did a survey of the **HISPANIC BUSINESS 500**. The extent of their training is startling:

"Policy remedies are needed to benefit future generations of students."

maybe because there's an intense awareness of international competition within the Hispanic business sector.

For example, our cover features Henry J. (Hank) Aguirre, an auto trim supplier to Detroit's now quality-obsessed Big Three. His 480-employee company, Mexican Industries in Michigan, built its own learning center and, by offering everything from

mandatory courses in statistical process control to high school equivalency classes, is "turning every employee into a quality control expert."

A number of the 500 report they've won grants for their training programs from state and federal agencies—by taking the time to write a thorough grant proposal. Ruiz Food Products in Dinuba, California tops the list in this respect. This company of 1,100, headed by CEO Frederick Ruiz, received \$1.5 million from the state of California to construct an employee education and training center. More than 300 employees are enrolled in courses year round.

We found a deep commitment to business education for Hispanic youth, too. One measure of that commitment is a multi-million-dollar Hispanic Business College Fund being put together by a fast expanding list of business leaders representing, so far, the states of Florida, Texas, New Mexico, Oregon, and California.

The idea is a simple one: that Hispanic business men and women should develop a major source of financial support for deserving Hispanic business students...that, while scholarship money for minorities is threatened by the Administration in Washington, our doors at least will not be closed.

HISPANIC BUSINESS will report on the progress of this important project throughout 1992, as a board of directors and board of trustees are formed. Those interested in learning more about the project can call Rick Mendosa at (805) 682-5843.

This issue also includes an eloquent "See and Opinion" by ASPIRA President Dr. Janice Petrovich, examining the serious need for Hispanic scholarship support in the face of a Department of Education policy to reduce such assistance. Another article, "Finding the Money for College," provides information on sources of financial aid. And "The MBA: Key to Corporate America" reveals how leading business schools stack up in terms of Hispanic enrollment.

Finally, read about Arizona's first Hispanic member of Congress, Representative Ed Pastor, whose election adds volume to the growing Hispanic voice in education and business policy. Mr. Pastor is a member of both the Education and Labor Committee and the Small Business Committee.

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BPA CONSUMER MAGAZINES

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he MBA: Key to Corporate America

The facts on Hispanic enrollment in America's leading business programs.

By Sarah Acosta

This country is verging on an oversupply of MBAs. But is that really a negative trend? According to Victor Arias, president of the National Association of Hispanic MBAs (NSHMB), "The oversupply doesn't diminish the value of the MBA...It's just more competitive now."

In other words, says Bill James, associate program director of the Graduate Management Admissions Council (GMAC), the increase in applicants for MBA programs will result in a higher caliber student.

It may also mean that Hispanic influentials and U.S. universities need to work more on encouraging Hispanic applications. The business schools would like to have a greater percentage of Hispanic and African American students, Mr. James reports, but "now with the business schools receiving more applications there is less incentive to do recruiting...And then there's the problem of the economy. Many students and employees are afraid to leave their jobs and go back to school."

Certainly Hispanic enrollment has a long way to go.

Based on a long term study by the Washington, D.C.-based American Council on Education (ACE), the greatest increase in educational pursuit by Hispan-

ics has been in MBA degrees. According to ACE's "Tenth Annual Status Report on Minorities in Higher Education," 502 master's degrees in business were awarded to Hispanics in 1976—444 to men and 58 to women. As of 1989, the most recent year reported, the number was 1,581—982 to men and 599 to women. An increase, but still far from proportionate representation.

So even if there were an overall MBA glut, Hispanics as an underrepresented

many Hispanics trying to enter this industry...But I strongly believe the opportunities available to Hispanic MBA holders are the same as those available to any other MBA holder."

Besides, Mr. Arias believes, the current increase in MBA enrollment is "a cyclical thing. You're seeing a big surge now because of the state of the economy. There is a high rate of growth in MBAs now, but then it should start leveling out."

In fact from a career standpoint now is a logical time to go to school, Mr. Arias points out. "Now people are weighing the pros and cons. Even though it's tougher to get a job, it's a good time to invest in *full time* study. After all, if the opportunity in the job market is not there, why not take a hiatus and do something constructive that can greatly increase the marketability of your resume?"

M. Orlando (Landy) Narvaez of Austin, Texas offers eloquent testimony to the boost in marketability that an advanced business degree can confer. "My access to corporate America is totally a result of the knowledge and confidence I gained with my MBA," he insists. After complet-

ing his MBA work at Corpus Christi State University (which has a 32.4 percent Hispanic enrollment), Mr. Narvaez was hired by the General Motors Corporation as part of their College Graduate in Development program.

And once I got that first opportunity to show what I could do—which so many of us Hispanics are looking for—there was no stopping me!" he exclaims. He quickly worked his way up several levels to the position of Account Manager, Chevrolet Motor Division, and has taken an educational leave of

absence in order to get a law degree at the University of Texas-Austin. He will be graduating in August.

But even if they were being strongly recruited to apply to business school, Hispanics face the ultimate barrier: rising tuition rates. Always expensive, the business school option is becoming harder to



Florida Int'l University President Dr. Mitch Maidique confers on site of FIU's new College of Business Administration with Dean Dr. Harold Wyman (right) and construction boss.

group should be in demand, says Alphonse Brown, assistant dean of the College of Business at the University of Texas-Austin. Wall Street, and especially investment banking, is severely underpenetrated by Hispanics," observes Robert Valdez, managing director of the investment banking firm Kidder, Peabody & Co. "I haven't seen

afford. Overall, the ACE report warns, "Reduced institutional and state financial support, new and higher admission standards, and rigid enrollment caps threaten to undo much of the progress of the late 1980s at the very time when minorities need to consolidate their gains."

Explains ACE President Robert H. Atwell, "We would be wrong to look at the

numbers, see progress, and conclude that recruitment and retention programs on behalf of under-served groups are no longer necessary. We made that mistake in the late 1970s, and we have been struggling ever since to regain those lost advances. We cannot allow attempts to balance this country's federal and state budgets to eradicate efforts on behalf of mi-

norities in higher education."

A HISPANIC BUSINESS survey of Hispanic enrollment in undergraduate and postgraduate business programs shows that some schools—and some advocacy organizations—have not made the mistake of complacency.

The GMAC, working with NSHMBA and other minority MBA organizations,

Undergraduate Institutions With 25 Percent or More Hispanic Enrollment*

(In order of percentage)

College/University	Total Enrollment	Hispanic Enrollment	Percent Hispanic	Business Degree
Boricua College (NY)	1,100	1,027	93.4%	Bachelor's in Business Management
University of Texas-Pan American	12,248	10,344	84.4%	Bachelor's & Master's in Business Management
New Mexico Highlands University	2,445	1,690	69.1%	Bachelor's & Master's in Business Management Bachelor's in Business/Office/Marketing
Texas A&I University	6,014	3,540	58.9%	Bachelor's & Master's Business Management Bachelor's Business/Office/Marketing
University of Texas at El Paso	16,524	9,508	57.5%	Bachelor's & Master's in Business Management
Our Lady of the Lake University (TX)	2,693	1,299	48.2%	Bachelor's & Master's in Business Management
Florida International University	21,999	9,455	43.0%	Bachelor's, Master's, Ph.D. in Business Management
Incarnate Word College (TX)	2,578	1,099	42.6%	Bachelor's & Master's in Business Management Bachelor's in Business/Office/Marketing
Western New Mexico University	1,872	728	38.9%	Bachelor's & Master's Business Management
Herbert H. Lehman College (NY)	10,238	3,712	36.3%	Bachelor's & Master Business Management Bachelor's in Business/Office/Marketing
St. Mary's University (TX)	4,045	1,469	36.3%	Bachelor's & Master's in Business Management
St. Thomas University (FL)	2,395	867	36.2%	Bachelor's & Master's in Business Management Bachelor's in Business/Office/Marketing
Sul Ross State University (TX)	1,788	599	33.5%	Bachelor's & Master's in Business Management Bachelor's in Business/Office/Marketing
Corpus Christi State University (TX)	3,814	1,234	32.4%	Bachelor's & Master's in Business Management
Mount St. Mary's College (CA)	1,179	370	31.4%	Assoc. & Bachelor's in Business Management
University of Texas at San Antonio	15,489	4,687	30.3%	Bachelor's & Master's in Business Management
Barry University (FL)	5,903	1,722	29.2%	Bachelor's & Master's in Business Management Bachelor's in Business/Office/Marketing
College of Santa Fe	1,052	306	29.1%	Assoc., Bachelor's, Master's in Business Management
New Mexico State University	14,812	4,039	27.3%	Certif., Bachelor's, Master's, and Ph.D. in Bus. Mgmt.
Cal State University, Los Angeles	21,596	5,856	27.1%	Bachelor's & Master's in Business Management Bachelor's & Master's in Business/Office/Marketing
Mercy College (NY)	4,800	1,292	26.9%	Certif. & Bachelor's in Business Management
City College (NY)	14,090	3,642	25.8%	Bachelor's in Business Management

* Based on 1990 data compiled by Hispanic Association of Colleges and Universities (HACU) and reported in September 1991 annual report.

sponsors a three-hour "Destination MBA" road-show to familiarize Hispanics and African Americans nationwide with the opportunities inherent in an MBA. Average attendance at these free seminars has been more than 200.

About 70 percent of these attendees have a bachelor's degree and several years of work experience, says the GMAC's Mr. James, because 90 percent of the 107 schools affiliated with the GMAC refuse to accept applicants without prior business experience. (Although from our own conversations with affiliate schools of the American Assembly of Collegiate Schools of Business, it is apparent that admissions offices do not like to discourage those without experience from applying, since each applicant is considered an individual case.)

Another organization of note is The Consortium for Graduate Study in Management. The Consortium's nine member universities offer Consortium Fellowships for graduate management programs to selected top minority students. Officially, their mission is to "assist talented minorities with leadership potential to become members of the managerial ranks of American businesses. We identify future minority managers, challenge them with a high-quality graduate management education, and offer them an opportunity to compete for entry-level management positions in corporate America." The pro-

gram is therefore known for its benefits to corporate sponsors as well as to minority students.

The pool of fellowship applicants is developed from an annual nationwide blitz of visits to colleges, minority career programs, graduate and professional school fairs, and MBA forums. All of which generates an estimated 1,000 applications each year. In 1990 and 1991 alone, 454 (21 percent) of the applicants were awarded fellowships and another 457 (22 percent) were admitted to a Consortium school's graduate management program without a fellowship.

A number of universities also maintain independent programs to draw minority students. The University of Wisconsin, Madison (a member of the Consortium for Graduate Study in Management), for example, is developing a series of two- to three-week summer sessions called the "Emerge Program." The different sessions, explains Philip Miller, director of the business graduate program, will be for high school students looking toward



Landy Narvaez credits his MBA with providing an entre to the executive ranks of General Motors.

college for undergraduate students with potential to pursue graduate work, and for graduate students thinking of continuing to the doctorate level.

That final level is very important, Mr. Miller explains, because the best way to draw minority students to a college or university is to have minority faculty members. Mr. Alphonse Brown, assistant dean at UT-Austin, concurs. "It is true that minority professors draw minority students to universities," he says. "There are comfort levels, you have role models, and you don't have to feel like a pioneer in an area."

UT-Austin participates in the National Name Exchange (26 institutions) and Western Name Exchange (28 institutions), as well as the Consortium for Graduate Study in Management. The name exchange databases include the names of all minority junior year students in participating schools with a GPA of 2.7 or higher, says Dolores Garcia, administrative associate of UT-Austin's Graduate Opportunity Program. These students are sent information from recruiting graduate schools.

Although many schools belong to both of the exchanges, the National Name Exchange includes, for example, names of students at MIT, Harvard, Cornell, Princeton, Carnegie-Mellon, UC Berkeley, and

Hispanic Enrollment in Graduate Business Programs of Universities Belonging to Consortium for Graduate Study in Management*

College/University	Total Enrollment	Hispanic Enrollment	Hispanic Consortium Fellows
University of Texas at Austin	997	77	31
University of Michigan, Ann Arbor	862	54	17
New York University	3,205	28	9
Indiana University	650	14	13
University of Wisconsin at Madison	665	9	5
Washington University at St. Louis	285	7	5
University of North Carolina, Chapel Hill	400	4	2
University of Rochester	407	1	1
University of Southern California	480	NA	NA

*As reported for 1991-92. Consortium schools are dedicated to recruiting minority students into their graduate management programs, and offer both Consortium scholarships and other assistance to minorities.

UCLA. In the Western Exchange a graduate school can source names from such institutions as ASU, Colorado State, New Mexico State, Stanford, or Texas A&M.

The NSHMB is also developing a

"report card" on MBA programs, to help Hispanic candidates focus on the schools where their chances of successful enrollment will be greatest.

In the targeting process, explains Kidder, Peabody's Mr. Valdez, "remember that 'the value of the MBA depends on the quality of the institution. Given from a well-established, recognized institution, it is valuable.' But on the other hand, says Mr. James over at the GMAC, no "ranking" can determine exactly which school is best for an individual candidate. "We inform all of our panelists to stay away from ranking. We turn that back

around to the student. You must be comfortable with the school you're attending. Only a few get in to some of the better known schools, but then again, only a few will be comfortable in that environment."

Regarding the focus one may choose within an MBA program, Assistant Dean Brown from UT-Austin offers some advice: "If you find something you like, focus on it and do the very best you can...you'll be rewarded for it later. If not directly, then in tangential ways."

Another thing to look for is "endowed" faculty positions in one's area of focus. Corporations and individual executives, often alumni, donate hundreds of thousands of dollars to establish and fund such chairs, which in turn add to a program's financial strength and reputation.

The listings of schools provided here were compiled to help prospective business education candidates begin defining the field for their search. We can only urge them to begin now. (E)

Hispanic Enrollment of Leading Graduate Business Schools*

College/University	Total Enrollment	Hispanic Enrollment	Percent Hispanic
1. Stanford (CA)	636	21	3.3%
2. Wharton (PA)	649	19	2.9%
3. Harvard (MA)	803	21	2.6%
4. Columbia (NY)	674	17	2.5%
5. Carnegie-Mellon (PA)	204	4	1.9%
6. Chicago (IL)	576	9	1.6%
7. Kellogg (IL)	503	5	1.0%
8. MIT (MA)	400	4	1.0%
9. Dartmouth (NH)	182	2	1.0%
10. Cornell (NY)	229	2	0.9%

* Based on information from the AACSB for 1987-88, the last year consistent documentation was received from member institutions. Later data from schools still reporting Hispanic enrollment indicate most numbers have increased.

Top Master's Programs in Hispanic Enrollment*

College/University	Hispanic Enrollment	Total Enrollment
1. Florida International University (FL)	231	696
2. Baruch College-CUNY (NY)	94	2,677
3. Pace University (NY)	94	3,037
4. University of Texas-Austin (TX)	72	1,212
5. Pepperdine University (CA)	70	2,117
6. Laredo State University (TX)	58	131
7. St. Mary's University (TX)	55	241
8. University of Michigan-Ann Arbor (MI)	51	1,709
9. Harvard University (MA)	47	1,578
10. New York University (NY)	39	3,654
11. University of Texas-El Paso (TX)	37	140
12. Fairleigh Dickinson University (NJ)	35	2,600
13. De Paul University (IL)	34	2,702
14. University of Dallas (TX)	29	1,528
15. Rutgers-State U. of NJ/Newark (NJ)	28	1,750

* Based on information from American Assembly of Collegiate Schools of Business (AACSB)—the accrediting body for business schools. Data are for 1988-89. Listing may overlook some member institutions prohibited from responding to survey as of 1988.

Universities with Graduate Emphasis in Entrepreneurship

Babson College *	Wellesley, MA
Cal State Los Angeles †	Los Angeles, CA
Cal State Hayward	Hayward, CA
Carnegie Mellon University	Pittsburgh, PA
DePaul University	Chicago, IL
Fairleigh Dickinson University	Rutherford, NJ
Georgia State University *	Atlanta, GA
Golden Gate University	San Francisco, CA
Harvard University *	Cambridge, MA
NOVA University	Ft. Lauderdale, FL
Stanford University	Palo Alto, CA
State University of New York	Albany, NY
Texas A&M University	College Station, TX
University of Maryland	College Park, MD
University of North Texas	Denton, TX
University of Southern California *†	Los Angeles, CA
University of Tennessee	Knoxville, TN
University of Texas at Austin *†	Austin, TX
University of Tulsa	Tulsa, OK
Westchester University	White Plains, NY
Wichita State University	Wichita, KS
Xavier University	Cincinnati, OH

* University with endowed faculty positions in entrepreneurship.

† University with more than 25 percent Hispanic enrollment.

Finding the Money for College

How to get an edge in the serious race for scholarship money.

By Rick Mendosa

Students looking for financial support will find a lot out there—if they know where to look and if they work hard to get there before the competition.

Some \$28 billion in scholarships, grants, loans, and other forms of financial aid helped half of all college students pay for their education in the 1990-91 school year, according to the College Board, a nonprofit educational association. About 5 million students received this help.

But it's not enough to go around. Many

Hispanic students are unable to enroll or continue in college because of escalating costs. In the past year alone, undergraduate tuition and fees went up an average of 6 to 13 percent.

Private four-year colleges are more expensive than ever before, averaging \$10,017 a year for tuition and fees alone—to say nothing of room and board, books and supplies, and other incidental expenses. This is a 7 percent increase over the 1990-91 school year.

Costs for attending the most prestigious universities are generally much greater still. In fact, among the 299 four-year private colleges and universities surveyed by the College Board, the cost of tuition and fees went as high as \$19,400 a year. Private two-year colleges are up 6 percent, to \$5,290.

Public institutions are, of course, more reasonable—if you qualify as a local or in-state resident. Among four-year institutions, tuition and fees for in-state or in-district students average \$2,137, up 12 percent. Public two-year colleges are up 13 percent, to \$1,022 on the average.

One way for Hispanics to find a competitive edge in the money race is the University of Nebraska-Kearney's scholarship database. The database was initiated by Benjamin Avila, who teaches

Where to Start the Scholarship Race

Useful resources for financial aid include the following:

University of Nebraska at Kearney Scholarship Networking System

Tailored search of database listing thousands of scholarships—most for minorities (see form on a following page).

Applying for Financial Aid

ACT Student Assistant Programs, P.O. Box 168, Iowa City, IA 52243. Free.

Don't Miss Out: The Ambitious Student's Guide to Financial Aid

Octameron Associates, P.O. Box 2748, Alexandria, VA 22301. \$7.75.

Meeting College Costs:

A Guide for Students and Parents

College Board, 45 Columbus Avenue, New York, NY 10023. Free. Available in either English or Spanish (specify).

Financial Aid for Minority Students (a series of six booklets)

- In Business and Law
- In Education

- In Engineering and Science
- In Health Fields
- In Journalism and Mass Comm.
- In Any Field

Available from the Garrett Park Press, P.O. Box 190H, Garrett Park, MD 20896. \$4.95 each, \$25 for the set of six.

Need a Lift?

American Legion, P.O. Box 1055, Indianapolis, IN 46206. \$2. Strong on programs for veterans or their dependents.

Directory of Special Programs for Minority Group Members: Career Information Services, Employment Skills Banks, Financial Aid Sources

Fifth Edition. Garrett Park Press, P.O. Box 190H, Garrett Park, MD 20896. \$30.

The Student Guide

(to federal financial aid programs)

Financial Aid Information Center, U.S. Department of Education, Washington, DC 20212. Free.

How to Increase the Odds in Your Favor

You can improve your chances of getting help with college costs by doing the following:

1. Ask a local counselor for information on programs specifically designed for persons from your geographic area.
2. Learn about any special programs developed by your state.
3. Find out about the many scholarships available from service organizations like the Kiwanis Club, which school counselors may not aggressively promote.
4. Make early and continued contact with the financial aid office at your colleges of choice to show your strong interest. They often know of programs that may be of special interest to you but are not well publicized.
5. Identify the educational opportunity centers in your area and take advantage of them. These centers are developed to help students from low-income families learn about and enter college programs, with needed financial aid.
6. Apply for federal financial aid programs; get help here from the financial aid office at a college/university.
7. If unable to afford a four-year college, at least to start, consider a two-year public school in your area for your initial years.

Average College Costs by Type of School

	Four-Year College			Two-Year College	
	Public (Resident)	Public (Commuter)	Private (Resident)	Private (Commuter)	Public (Commuter)
Tuition and fees	\$2,137	\$2,137	\$10,017	\$10,017	\$1,022
Books and supplies	485	485	508	508	480
Room and board	3,351	1,468	4,386	1,634	1,543
Transportation	464	793	470	795	902
Other	1,147	1,153	911	1,029	966
Total	\$7,584	\$6,036	\$16,292	\$13,963	\$4,913

Source: The College Board; data are for the 1991-92 school year.

English as a second language at Kempner High School near Houston. "The information was focused at first on scholarships specifically for Hispanic students," Mr. Avila says, and has since been broadened to include thousands of other listings.

Mr. Avila says he created the database of scholarships at a time three years ago when he had returned temporarily to his home in Grand Island, Nebraska. "I was committed to trying to do something for Hispanic students in Nebraska," he explains.

While Mr. Avila was back in Nebraska, he began helping Dr. Leonard Skov, dean of the College of Education at the University of Nebraska at Kearney. Together they computerized all the information they could get on scholarships. In 1990 with the financial support of Southwestern Bell they printed the "Hispanic Scholarship Resource" directory.

Later they discovered that it was more efficient to tailor listings of applicable scholarships through individual searches of the database. "Two or three students do the work as a part time job," Dean Skov says. "We have a one- to three-week turnaround, and with the results of the search we also send tips to the enquiring individual on how to write an application letter." To date, the

university has conducted somewhere between 3,000 and 5,000 individual database searches for students seeking college scholarships.

To obtain a tailored listing of available scholarships, students need only complete the application form (provided on the following page), and mail or fax it to the university. The service is free of charge.



Mr. Benjamin Avila developed a database with information about hundreds of scholarships for Hispanics, which the University of Nebraska has expanded in size and scope.

Contrary to some reports, many scholarships specifically directed to Hispanics are still available—and constitutional. This remains true in spite of recent actions to eliminate such support taken by two branches of the federal government, the executive branch under President Bush, and the federal courts.

Last year, Lamar Alexander, the

Secretary of Education in President Bush's cabinet, issued a policy statement that bans taxpayer-funded scholarships based exclusively on race except under a number of specific circumstances. One exception is when scholarships are used as a tool to achieve diversity on college campuses. Another is when scholarships based on race are used as a way "to correct past discrimination." The Administration's policy does not affect scholarships intended for minorities that are funded by private donors.

More recently, a federal appeals court called into question the constitutionality of the University of Maryland's scholarships based on race as a way to correct past discrimination. The court has not yet struck down the university's scholarship program. Rather, it sent the case back to a lower court for more hearings on its constitutionality. Ironically, the case was brought by a student, Daniel J. Podberesky, who describes himself in court documents as Hispanic.

It is strange indeed that challenges to scholarships for minorities should come at a time when college costs have risen so

far: at a time when minorities are finding it much harder to obtain a university education.

In 1989, the most recent year for which complete data are available, only 16 percent of college age Hispanic youths were enrolled in college, compared with 24 percent for African Americans, and 32 percent for mainstream youth. But worse, the Hispanic enrollment percent-

ages have fallen off by one-third since 1989, according to information gathered by ASPIRA, a national nonprofit organization dedicated to assisting Hispanic youth.

That's a strong reason for the Hispanic community to get involved in the issue of minority scholarships, to provide support for Hispanic students, and to inform those students of what's available. A

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May 1992

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Fidencio Mares, president of The Gas Company in Honolulu, is one of 500 polled.



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Cover

Congressmen Solomon P. Ortiz (left) and Bill Richardson. Cover by Buffalo Brothers Studios West.

The magnitude of events in our time is almost beyond comprehension. Last year the Cold War ended and the USSR collapsed. This year it seems at times as if the good old USA is itself near the brink.

Certainly to hear the presidential challengers talk, the country's power and prestige are but remembrances of things past. Our economy is being challenged as never before by both internal problems and external market forces. Our political institutions seem incapable of providing the leadership that the American people are saying they want.

But this is a presidential election year. If ever there will be a time to recharge the national leadership and redirect its course, it's now. If ever there will be a time for the electorate to find a voice and force some changes, it's now.

So **HISPANIC BUSINESS** decided to call on that segment of our readership most likely to opt for action: a group of more than 500 high-influence leaders in the professions, business, and government. What do they think about the country's current public agenda? What do they advocate, from their perspective as part of an ethnic community that is on the rise?

To a great extent their outlook is moderate and even conservative. But they are remarkably vigorous in their call for change in this country. They have tended to embrace the Republican candidate for president in the past three elections. But now they say they're dissatisfied with the current Administration's efforts to deal with America's economic woes.

Fully 86 percent of these people—law partners, CEOs, corporate executives, partners in key accounting firms, top government officials, presidents of universities—tell us they think President Bush hasn't done enough to help the economy.

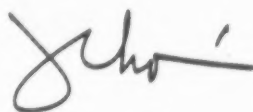
What other changes do our high-influence Hispanic leaders want? Like President Bush, who once said "read my lips," we say, "Read Our Poll." We think you'll find some solid food for thought here.

Politically the Hispanic community is reaching critical mass—if we can get behind a unified agenda of "What We Want Now." We're ready to move from the era of realizing that we have a unique set of issues, to the point where we systematically influence public policy at all levels. Many of our stories this month focus on the need for unity and on the people or groups who are working to create it.

In particular, every Hispanic voter should save our directory of phone numbers and addresses for the 14 Hispanics who represent us in the U.S. Congress. No one is closer to the center of the political vortex than these 14 representatives, and no one has more need to know what U.S. Hispanics think about the issues of the day.

The article "Hispanic Caucus Comes of Age" by Ricardo Chavira is really about the transformation that Hispanic Congressional Caucus Chair Solomon P. Ortiz of Texas has wrought in a once nearly moribund institution.

Finally, we salute the dean of Hispanic Congressmen, California's Edward Roybal, who will retire at the end of this term. Hector Cantu's article "Roybal: A Long-Distance Runner Who Made a Difference" looks back at this man's three decades in the House. And forward, to what his daughter, California State Assemblywoman Lucille Roybal-Allard, may build on the foundations he laid.



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Election Year '92: Numbers and Clout

Hispanics can be the deciding factor in a close election.

By Michelle Vachon

America's Hispanic population grew 53 percent between 1980 and 1990, when it hit 22.4 million. One out of 22 U.S. citizens of voting age was Hispanic as of two years ago. Just under 46 percent of all Hispanics who were eligible to vote did vote in the 1988 presidential election (versus 57 percent of the overall population). At that rate, 4.25 percent of the vote in November will be Hispanic, according to the National Association of Latino Elected and Appointed Officials (NALEO).

Another fact: although 46 percent of eligible Hispanics voted in 1988, 56.6 percent had registered to vote. The turnout certainly could be better, should be bet-

ter. But it ain't chopped liver.

So what? So "unless the economic situation turns around, it will be a close presidential race. And if it is a close race, the Hispanic vote will be decisive," says Luis C. Caban, associate executive director of the Midwest-Northeast Voter Registration Education Project. For instance, in California—a state representing 54 electoral votes—a 5.3 percent shift of the Hispanic vote from one party to the other would amount to a 1 percent shift nationwide.

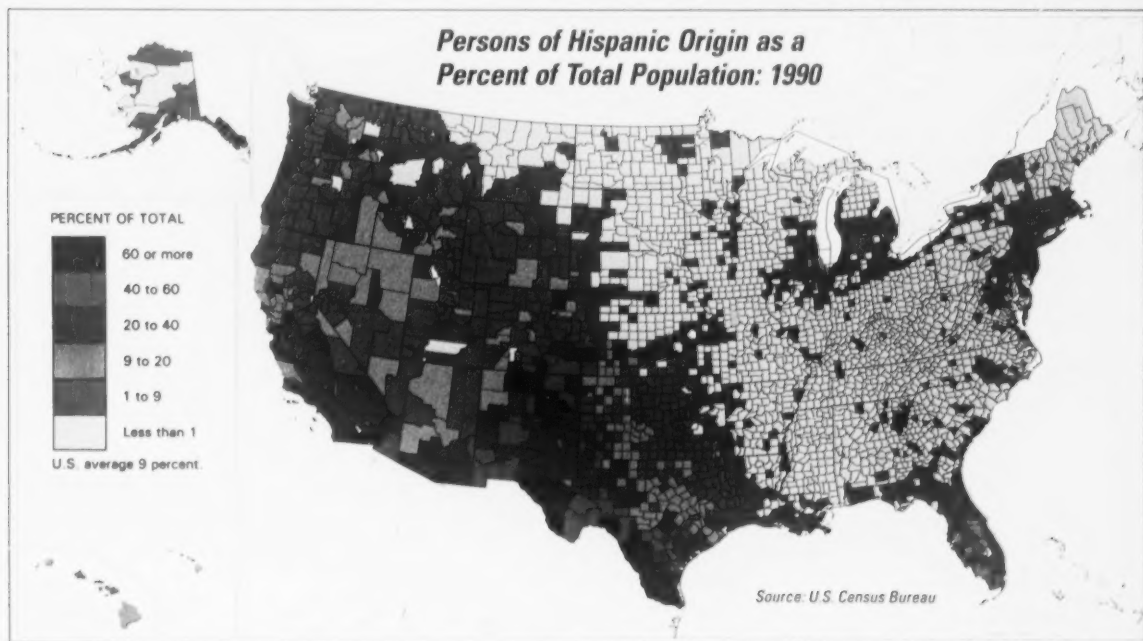
Admittedly, the majority of Hispanic Americans say they have voted either "always Democrat" (67 percent of Mexican Americans and 71 percent of Puerto

Ricans) or "always Republican" (70 percent of Cuban Americans). But by the same token almost a third of each group has voted differently. And Hispanics who trace their ancestry to other parts of Latin America are quite fragmented in their political leanings. Which means that neither party can afford to take any Hispanic group for granted.

Again, so what? So, based on a poll done by *HISPANIC BUSINESS*, the Hispanic community has a common set of issues to support in 1992. This is the time to push for those issues with the candidates of both parties—certainly in Washington, but more important, in the country's heavily Hispanic districts and states.

Because it's the "winner take all" electoral college votes in the states that really decide the election. Of a total 538 electoral votes, the nine states with the highest Hispanic concentration account for 202 of them. That's three-quarters of the 270 votes needed to win the presidency. And that's one reason why Deputy Director of the Census C. Louis Kincannon says "The extraordinary growth of the Hispanic community has dominated this decade."

In the last close presidential election, between Democrat Jimmy Carter and Republican Gerald Ford in 1976, a shift in the electoral vote of one state—Texas—would have given the victory to former



President Ford. That is, as NALEO says, a shift from Democrat to Republican of 12.7 percent of the Texan-Hispanic vote (as of 1990) would have swung 29 electoral votes to Mr. Ford. Mr. Carter won by 28.

Conversely, Mr. Carter's tiny margin would have become a landslide with a switch of 9 percent of California's Hispanic

Caucus has pushed hard for "The Voting Rights Improvement Act of 1992," which would require bilingual assistance in voter registration and at the polls for large Hispanic communities.

But most observers agree that electoral power will depend largely on a myriad of get-out-the-vote efforts at the local level.

Partisanship Among Voting Age Hispanic Citizens

State	Mexican Americans	Cuban Americans	Puerto Ricans	Other Hispanic
Democrat	67.4%	24.5%	71.2%	34.0%
Republican	20.6%	70.2%	19.4%	28.0%
Independant	12.0%	5.3%	9.4%	10.0%
No Preference	—	—	—	27.0%

Source: "NALEO Background Paper #19," based on various surveys completed in 1989.

voters to the Democratic ticket, and 4.6 percent of New Mexico's.

Of this country's 22.4 million Hispanics, 7.69 million reside in California, 4.34 million in Texas, 2.21 million in New York, 1.57 million in Florida, and .9 million in Illinois. These are five of America's six most populous states. In terms of percentages, New Mexico's 579,000 Hispanics are best positioned, representing 38.2 percent of the state's population.

This is the first election since the political lines have been redrawn, and as a community we have a chance to become politically involved," concludes Ruben Franco, who is president of the Puerto Rican Legal Defense and Educational Fund.

Which is why Hispanic voter registration groups across the nation are multiplying their efforts to get out the vote. The National Association of Hispanic Publications has launched an ambitious nationwide voter registration campaign sponsored by Philip Morris Companies Inc. Its public service ad, designed by the Hispanic artist Ignacio Gomez, will run in more than 160 print publications and is being distributed in poster form to Hispanic community groups nationwide.

The Southwest Voter Research Institute recently joined forces with other California groups to launch a massive registration drive targeting 1 million Hispanic votes. And the Congressional Hispanic

"If Hispanics have strong representatives in their community asking them to go and vote, they will follow suit," insists Robert Brischetto, executive director of the Southwest Voter Research Institute. "Hispanics tend to listen first to their leaders at the



The poster of a national voter registration campaign sponsored by Philip Morris.

school, municipal, regional and state levels. You can't expect to storm in every four years, get Hispanic ballots, and disappear until the next presidential campaign."

Indeed, "the Hispanic community is getting organized more quickly than in previous election years," says NALEO's Mr. Pachon. So far, so good. ☐

Percentage of the 1990 Hispanic Vote Needed to Make a 1 Percent Shift in the Statewide Vote

State	Hispanic Votes 1990	% of Hispanic vote needed for 1% shift in the statewide vote	Electoral Votes 1992
Arizona	88,000	6.8%	8
California	844,000	5.3%	54
Colorado	64,000	9.4%	8
Florida	301,000	7.2%	25
Illinois	114,000	18.1%	22
New Jersey	96,000	12.7%	15
New Mexico	126,000	1.9%	5
New York	345,000	8.0%	33
Texas	605,000	4.1%	32
TOTAL			202

ELECTORAL VOTES NEEDED TO WIN THE PRESIDENCY = 270

Source: The U.S. Census Bureau, "Voting and Registration in the Elections of November 1990." Compiled by the NALEO Educational Fund.

The Complexities of Car Wars

Business owners think support for U.S. auto industry is critical.

By Rick Mendosa

The idea of offering bonuses to employees who buy American cars first got national attention in January. The Monsanto chemical company and several others at the top of the corporate heap were offering checks for up to \$1,000 on American-made cars.

But it actually all started in the realm of small business, according to media sources: in Youngstown, Ohio, where surgeon William Lippy's "Jump-Start America" program offering employee bonuses of up to \$800 became "an overnight sensation."

And if "Buy America" got its start at the grass roots level, we wondered, is the Hispanic business community behind the trend? They are.

Our survey shows that seven of 10 Hispanic business owners support the idea. Almost 95 percent of the **HISPANIC BUSINESS 500** CEOs we polled believe the auto industry's health is a key determinant of America's future economic vitality. They're concerned about this major industrial sector's survival, and they want to help save it. More than 75 percent of them would offer employee car purchase bonuses if they got some rebate from the U.S. manufacturer. About 35 percent are considering such a program anyway, even without rebates. And another 6 percent already offer one.

One Buy America backer, right down the street from Dr. Lippy, is Flor (Shorty) Navarro, CEO of Youngstown's Stadium Lincoln-Mercury. "The Doctor's doing a fantastic job," Mr. Navarro beams, "and we have joined his group." It's not surprising that Mr. Navarro, as a Big Three dealer, is one of the trend leaders among the Hispanic CEOs we surveyed.

And he should be, says Fred Burgos,

president of Fred Burgos Construction Co. Inc. in Montgomery, Alabama. "The companies that are directly affected should lead by example," Mr. Burgos, who is "watching with interest" as the trend develops, thinks that if it takes off it may be "the beginning of some fundamental changes

that would make the future of this economy much brighter."

Another company that's directly affected is metal finisher Gyro Processing Inc. in Bellwood Illinois. CEO Jose Parra, who does about 20 percent of his business with GM and 5 percent with Chrysler, will be offering a \$500 incentive come Labor Day to any of his 40 employees who buys a new American car.

Mexican Industries in Michigan—another supplier to Detroit—has helped 12 of its 480 employees buy a new American car through a special four-month program.

If you stretch the point, Vince Lopez offers incentives to his workers too. "All my employees have to drive what I sell, or they get canned," grins this CEO, owner of the South Valley Auto Plaza GM and Chrysler dealership in King City, California. The way he sees it, "their rebate is their job security."

Many other Hispanic business owners take a firm stand for Detroit even when

Bonuses for Buying American Cars?

(% of CEOs Responding to Poll)

QUESTION:

How important do you think the American auto industry is for other American businesses?

Very Important	Important	Somewhat Important	Not Important
80.8%	13.5%	3.8%	1.9%

Are you concerned about how the further deterioration of the industry might affect steel, glass, and other vital national industries and our overall work force?

Yes	No
94.1%	5.9%

Do you believe bonuses to employees who buy American cars are a good idea?

71.7%	28.3%
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Are you offering such an incentive?

6.0%	94.0%
------	-------

Are you considering such a program either on a long-term or short-term basis?

34.8%	65.2%
-------	-------

Would you be interested in an incentive program if you got a rebate from the U.S. manufacturer?

75.5%	24.5%
-------	-------

Would you consider a Japanese nameplate made in the U.S.A. a domestic car?

38.9%	61.1%
-------	-------

What about a car made in Mexico by an American manufacturer?

46.0%	54.0%
-------	-------

Source: 1992 Poll of **HISPANIC BUSINESS 500** CEOs.

it's not their bread and butter. But Gilberto Valdes is downright hard-line. As president of the janitorial services firm G. Valdes Enterprises in Palatine, Illinois, he simply has "a rule that nobody who drives a foreign car will be hired."

With this mood for old fashioned American "bootstrapping" so apparent in the business community, has Detroit picked up on the trend? Rod Suarez, president of auto tool maker Dixie Numerics in Lake City, Georgia can testify to the Motor City's sluggish start. Mr. Suarez was offering incentives for buying American in 1989, before it became a trend. Although he has a year-long incentive program going again now, he admits he had suspended the program out of "aggravation" at Detroit's failure to even comment on what he was trying to do. In that first year, this CEO "gave 17 of our employees \$200 to \$350, depending on the price of the car."

And with three-quarters of the small business community willing to join in if offered rebates from the Big Three, Detroit still seems slow on the uptake. Each of the major makers has just set up a limited program that offers matching funds for employee incentive payments—but only to the makers' own parts suppliers, and only until early next month. Mexican Industries in Michigan, for example, is participating in both the General Motors and Ford programs.

So "what about a tax credit for busi-

"Every little bit helps, and we should give first preference to spending our money where we make it."

**Roberto Espot, CEO
Roses Southwest Papers Inc.
Albuquerque, NM**

nesses that provide a bonus for purchase of American vehicles?" suggests John Sotomayor, CEO of Jay Automotive Specialties Inc. in Berlin, Pennsylvania.

Among the others who like that idea is Diva Garza, CEO of International Team Consultants Inc. in Houston.

About one in four of the small business owners we surveyed are distinctly less

an outrageously high salary and yet can't manage the company so it makes money, he doesn't deserve his salary," explodes Rita Divis, owner/manager of Aladdin World Travel in El Paso. Labor doesn't



Mexican Industries in Michigan maintenance worker Juanita Saldivar accepts \$500 check from Community Relations Director Rance Aguirre for her new '92 Pontiac Grand Prix.

altruistic. "We don't earn enough to help out a *Fortune* 500 company," fumes Moses Cordova, CEO of Cordova Bolt Inc. in Buena Park, California. Carlos Mollura, president of Vinyl Technology Inc. in nearby El Monte, agrees.

This group tends to focus more on the Big Three themselves. "Why should we subsidize the automotive industry?" asks Hector Sosa, president and general manager of Plastec U.S.A. Inc. in Miami. "If they improve their production efficiency and lower the extremely high salaries paid to their executives and labor, they would be able to compete price-wise with the Japanese or anybody else."

They should "reduce the salaries of auto executives to one-half of what they make now," puts in George Feldenkreis, CEO of aftermarket transmission parts maker Carfel Inc. in Miami. A favorite target of the salary bashers is Chrysler Chairman Lee Iacocca, even though his salary was cut down to \$4,268,000 in 1990, from \$18 million in 1987 and \$20 million in 1986.

"When the CEO feels entitled to such

escape her wrath either. "The unions have to realize they've priced themselves right out of jobs," she accuses. "Unions will close a business rather than negotiate a decent wage so as to help keep the business going."

But since most of the Hispanic CEOs support incentives to help the U.S. auto industry, we wondered what they mean by "American made?"

Is a car with a Japanese name that was built in the United States a domestic car? Thirty-nine percent say "yes," 61 percent "no." What about a car made in Mexico by GM, Ford, or Chrysler? Forty-six percent say "yes," 54 percent "no." That means about 8 percent will consider a Ford assembled in Hermosillo, Mexico to be American, but not a Toyota built in Georgetown, Kentucky.

Roberto Espot says what the majority feel: "Every little bit helps, and we should give first preference to spending our money where we make it. We need to be constantly reminded to buy American."

Continued

Want to Buy American, But Don't Know How?

You want to buy an American car. But the term "American" is deceptively simple. Are you talking where the assembly is done? Whether the employees are American? The country that the profits will go to? Or the country that most of the components came from?

It's profits, says John Gregory, CEO of J.T. Slocumb Co. in South Glastonbury, Connecticut. "Even if the Japanese have a plant over here, I still consider it taking profits from this country to Japan." No, it's who builds the car, says Fred Burgos, CEO of Fred Burgos Construction in Montgomery, Alabama. "Since jobs are what makes the economy tick, where the car is produced is the significant factor."

No, really, it's where the parts come from, say most of the executives we surveyed. "We have to determine how much of the car was produced in this country," says Sam Leto Jr., CEO of Tampa Brass & Aluminum Corp.

Some, like Jack Villodas, CEO of International Creative Data Industries in Bethel, Connecticut, say the car has to include "over 85 percent U.S. material." Bob Sausedo, CEO of Sausedo Metal Products Inc. in San Jose, California, says that it has to be 75 percent, minimum. And Robert Zamarripa, CEO of San Diego Wholesale Electric, would be satisfied with 50 percent.

The only official word we have on what constitutes "American" is the Corporate Average Fuel Economy law, or CAFE. Seventy-five percent is the minimum for U.S. content that a car must meet to be considered domestic under CAFE. Mazda just announced that its new 626 midsize sedan will be the first Japanese-name vehicle to be classified as a U.S. car under CAFE.

And because of our special free trade agreement with Canada, vehicles with 50 percent or more North American content (in dollars) can pass duty free between the two countries. Even at that, there's a dispute between Honda Motor Co. and the U.S. Customs Department about just which costs can be counted. Customs ruled in February

that the Canadian-made Honda Civics aren't North American enough.

Probably the simplest way to know if a car is American is Sean McAlinden's "drive train rule." Mr. McAlinden, an economist in the Office for the Study of Automotive Transportation at the University of Michigan, says the car should be called domestic if the drive train is made in the United States. That includes the engine, transmission, and gear box, which make up one-third of the value of most cars.

The drive train also accounts for at least 20 percent of the assembly job, Mr. McAl-

den says. And if you're looking only at cars with those proud old American nameplates, Mr. McAlinden suggests you take a pass on all of GM's Geo models. The Geo Metro and Geo Tracker are assembled in Canada and Japan. The Geo Sprint, Spectrum, and Storm are all assembled in Japan. The Geo Prizm is assembled in the United States, with a high Mexican content.

Most confusing is the Mercury Tracer. Built in Mexico, it may qualify when the free trade agreement goes into effect. Those with the 1.9cc Dearborn engine have an American drive train. But others, with the 1.8cc Mazda engine, have high Japanese content. As for Chrysler makes, the Chrysler Eagle Medallion is assembled in Canada with a high French content. Several are assembled in Japan: Dodge Stealths, Plymouth Colts, Plymouth Vistas, Plymouth Summits, Dodge RAM 50 trucks, and Dodge Raider trucks. The Plymouth Laser and Chrysler Eagle Talon are assembled here, but have a high Japanese content.

Americans bought 654,236 of these vehicles in 1991, and probably thought they were buying American. ☐



Dixie Numerics CEO Rod Suarez (left) joins two employees in admiring a new Mercury Grand Marquis bought through the company's year-long Buy American bonus program.

indien points out. "And many of the other systems that count toward content are heavily connected to the drive train. The axle, the brake system...and before you know it you'll be above 85 percent."

If we apply the drive train rule, only two Japanese cars built by the "transplant" factories in America would qualify as U.S. made: the Honda Civics and Honda Accords built at the Honda plants in Marysville and East Liberty, Ohio.

But since Honda imports identical Civ-

Read Our Poll: "WHAT

The election year agenda of 500,000 affluent leaders.

What do you think are the most important issues in this election year?

That's what we asked more than 500 Hispanic leaders in business, government, the professions, and the arts. Their answers add up to a national agenda of elec-

tion year priorities that we can say with confidence represent the view of America's 500,000 affluent Hispanic professionals—the 2.2 percent of this country's Hispanic men and women whose annual income exceeds \$100,000 a year.

Income was not a factor in our selec-

tion of survey participants, but higher income correlates with the positions of high responsibility these people hold.

The survey group includes this year's **HISPANIC BUSINESS 100** Influentials, top executives in *Fortune* 1,000-size companies, top federal appointees and civil service executives, partners in the nation's 250 biggest law firms, partners in the Big Six accounting firms, top elected officials, and university presidents.

Each person was asked to rank 10 economic/social issues in order of relative importance, selecting from a list of 20.

So, what is the top issue concerning these leaders? The state of the economy—*by far*. That "affects all matters relating to minority well-being and advancement," says Agustin Medina Jr., a law partner with the firm of Lewis, D'Amato, Brisbois & Bisgaard in Los Angeles. Colorado State Senator Larry Trujillo Sr. agrees simply: "Without a healthy economy, jobs and education, the rest of the problems, can hardly be addressed."

Most respondents think President Bush has not done enough to stimulate the economy: 86 percent say he "has not done enough," and only 14 percent approve of what he has done. Fifty-five percent of them say they voted for Mr. Bush four years ago, another 40 percent for Democratic candidate Michael Dukakis.

Health care is a strong second priority for Hispanics. So rankling is the need for attention to health care that the leaders consider it more critical even than the budget deficit. Gannett Company newspaper chain Vice President Ronald Ortiz says it for many others: "I prioritize the 'people' issues!" he writes with bold strokes. "We can't neglect our old, poor, ill, and children without doing irreparable harm to our social order."

The deficit is a high third on the Hispanic leaders' list of priorities. "We are running a \$250 billion plus budget deficit—compared with \$60 billion or so under President Carter—and no one [in gov-



Fidencio Mares, president of Broken Hills Petroleum's Honolulu-based subsidiary The Gas Company, believes business and society—not government—will improve U.S. education.

WE WANT NOW"

ernment] seems to care!" steams a high ranking professional in Washington, D.C. "The long term implication is catastrophic to our later years and to our children's future!"

And high on almost everybody's list, in a near tie for fourth place, are education for minorities, and unemployment. The remaining five top priorities are American productivity, international competitiveness, drugs, crime, and the country's foreign trade deficit.

Given the intense concern this survey group has with the state of the economy and the budget deficit, what do they think should be done? For one thing, we asked, where do they think the money once budgeted for defense—any so-called "peace dividend"—should go? While the relaxation of tensions between us and the former Soviet Union may be the most positive event in our lifetimes, it forces us to make some hard economic choices. At a time when the economy is already taking a heavy beating, layoffs by defense contractors affect a substantial and growing part of the nation's unemployed workers.

Obviously the government could return



Miguel Nevarez, president of the University of Texas-Pan American, thinks decisions on bilingual education shouldn't be made across the board because "it can help or hurt."

the money to the people by reducing taxes. This was the least favored outcome among our respondents. Only 7 percent would use the peace dividend to cut taxes.

As Fidencio Mares, president of The Gas Company in Honolulu, puts it, a tax reduction would probably not be very big, and "unless it is, it would have little impact on the individual." Also, says Alberto Gonzales, a partner in the Houston law firm Vinson & Elkins, "because of the weak economy, many Americans will save the money from the tax cuts rather than spend it."

The government's other choices are to spend the money—to

give the economy a boost—or keep it to balance the budget. Forty-eight percent say it should be used to help the economy. Almost as many (45 percent) say it should be used to balance the budget.

Like many of those who prefer stimulating the economy, Mr. Gonzales believes this will also reduce the deficit. "A healthy economy results in jobs," he reasons. "Jobs mean additional revenue and fewer families needing government assistance."

The survey group heavily supports two changes in tax policy that both the President and the front running Democratic candidates have proposed. Eighty-two percent favor reinstating investment tax credits. Sixty-eight percent favor cutting the capital gains tax.

Much of this support for the two tax policies is conditional, however. For example, Louis Miramontes, a Walnut Creek, California-based partner in the Big Six

Hispanic Leaders Name Their 10 Top Priority Issues

Rank	Issue	Weighted Votes
1	State of the economy	415
2	Health care	332
3	Budget deficit	295
4	Education for minorities	267
5	Unemployment	265
6	American productivity	207
7	International competitiveness	206
8	War on drugs	199
9	Crime	194
10	Foreign trade deficit	144

Source: HISPANIC BUSINESS poll of more than 500 high influence professionals nationwide.

accounting firm KPMG Peat Marwick, thinks investment tax credits should be reinstated on a short-term basis only: maybe for just one year. An executive on the East Coast suggests that investment credits exclude shelters which don't contribute to the economy. If not, muses another, they would be "another example of the Reagan Administration's failed trickle down theory."

There were more reservations about a capital gains tax cut because it "will be perceived as helping only rich Americans" and create negative publicity, says one business leader. And it wouldn't stimulate the economy anyway, insists California Congressman Esteban Torres, because it would "benefit the super rich, who invest overseas and on luxury items."

The only way a capital gains tax cut would work, indicates another thoughtful survey subject, "is if the number of taxpayers participating in transactions that involve a capital gain grows significantly.

Given the poor state of our economy this isn't a realistic assumption."

"So it would be like applying leeches to treat a blood infection. It's an obsolete and counterproductive remedy," grimaces Washington D.C. lawyer Matias Travieso-Diaz, a partner in Shaw, Pittman, Potts & Trowbridge.

We also asked whether the priority for America's tax money should be "America first," as presidential candidate Pat Buchanan and many on the political right insist, or on "carrying the torch" for the rest of the world. As the one remaining superpower, should we continue footing the bill for global responsibilities? The split was nearly 50-50. Accounting firm Partner Mario Lopez of Deloitte & Touche in Miami speaks for the torch bearers, cautioning, "if we don't carry the torch now, we'll carry weapons later."

On the subject of healthcare—the second hottest issue with the survey group—six of 10 respondents (62 percent) say they'd favor a national healthcare system paid for by employers. Frank Diaz, president of Kemper Service Company in Chicago, speaks for the remaining 38 percent who believe "small business can not afford it." The employer-funded insurance proposal now receiving most support from Democratic leaders in Congress, called "play or pay," would require businesses with 25 or more employees to either provide worker coverage or pay a 7 percent payroll tax for the uninsured.

And more than half of the survey group (53 percent) say they'd back a national health insurance system supported by taxes. One such system being promoted by Nebraska Senator Bob Kerrey would have a \$234 billion price tag. Once again, many of the Hispanic leaders are willing to accept some tax consequences in

order to remedy a problem that they feel strongly about.

Kemper's Mr. Diaz suggests the national health care system be supported through "a social security tax." But he would also "set up a program whereby all doctors and medical staffs would be required to do one to two years of public service to support the system."

Regarding the fourth ranking issue—education for minorities—we asked the Hispanic leaders whether they think improved educational opportunities for Hispanics should be the job of the federal government, or of state and local governments. They don't see it as a question of either/or. Eighty-seven percent say, "yes, the federal government should do more," and 86 percent say, "yes, this is a job for state and local government."

But Mr. Mares in Honolulu believes strongly that society and business will have to accept the major responsibility for better education. And indeed, based on a recent poll of the **HISPANIC BUSINESS 500** and a review of training by major U.S. corporations, a large portion of the business community has already felt compelled to begin shouldering that burden, merely to ensure a competitive work force.

On the controversial issue of whether or not bilingual education helps Spanish speaking students transition to English, the leaders are of divided mind. About 54 percent say "it helps," and 46 percent say



Ronald Ortiz, vice president of the Gannett Company newspaper chain, puts the first priority on improved health care because to neglect it will do "irreparable harm to our social order."



"Civil rights, liberty, and opportunity have eroded during the Reagan-Bush era," says Bronx Borough President Fernando Ferrer. He disagrees with the Administration's stand against affirmative action.

"it hurts" by delaying fluency in English.

Charles Cabrera, senior vice president of the Shearson Lehman Brothers Division of American Express in San Francisco, speaks for those who support bilingual education. "It may delay mastery of the English language," he allows, "but it's well worth having fluency in both languages." Dr. David Ballesteros, dean of the San Diego State University campus in Calexico, California, comes down in favor of it too. Dr. Ballesteros, who is in a good position to consider the results, sees monolinguals (English only or Spanish only) as "the real disadvantaged."

Mr. Travieso-Diaz in Washington, D.C. is one of the many lined up against bilingual education. "Special English training courses help the transition," he insists, "but bilingual education perpetuates the disadvantages of Hispanics." And Dick Rivera, president and CEO of TGI Friday's Inc., thinks that "bilingual education to 'preserve identity' is counterproductive."

Miguel Nevarez, president of the University of Texas-Pan American, thinks the decision can't be made across the board. It can either help or hurt, he thinks, depending on a number of factors.

The productivity of American industry, and international competitiveness—two closely related problems—rank six and seven on the Hispanic agenda.

Productivity, a measure of revenues produced per worker hour, has been growing 0.9 percent a year since 1973, according to the 1992 "Economic Report of the President," after an average increase of 3 percent a year from 1937 to 1973.

We asked the Hispanic leadership group for their view on some of the causes commonly cited for poor productivity: Poor worker education, as the Japanese have accused? High cost of our government's safety and environmental regulations? Labor union rigidity? Or American management's focus on short term profits rather than investment for long term corporate health?

Less than 40 percent think education and regulations are a factor. About 50 percent think the unions have been a drag. But 83 percent of the leadership group,

Hispanic Leaders Weigh The Economic Issues

- What more—if anything—should President Bush and his Administration do to stimulate the economy?
He has done enough: 14 percent He should do more: 86 percent
- Should the so-called "peace dividend" be used to reduce taxes, balance the federal budget, or help the economy?
Reduce taxes: 7 percent Balance the budget: 45 percent
Help the economy: 48 percent
- The Administration has proposed changes in taxes to help the economy by encouraging investment. Others say these are examples of the failed trickle down theory of the Reagan Administration.
 - What about a cut in the capital gains tax?
It will help: 68 percent It won't work: 32 percent
 - What about reinstating investment tax credits?
It will help: 82 percent It won't work: 18 percent
- Up until 1973 American productivity increased several percentage points each year. Since then it has increased on average less than 1 percent per year.
 - Is it because American workers are poorly educated compared to the Japanese and others?
Yes: 39 percent No: 61 percent
 - Is it because labor union rigidities make it impossible for American business to adapt to changing conditions?
Yes: 49 percent No: 51 percent
 - Is it because American management is too concerned with short-term results?
Yes: 83 percent No: 17 percent
 - Is it because government environmental and safety regulations add so much to the cost of American products?
Yes: 36 percent No: 64 percent
- Should the U.S. government impose the same restrictions on Japanese imports to this country as the Japanese government imposes on American imports there?
Let's be reciprocal: 43 percent I support free trade: 57 percent
- The proposed free trade agreement between Mexico and the United States will have major effects on business in the two countries:
 - More gains than losses for the United States: 86 percent
 - More losses than gains for the United States: 14 percent
 - More gains for Mexico: 97 percent d. More losses than gains for Mexico: 3 percent

Source: **HISPANIC BUSINESS** poll of more than 500 high influence professionals nationwide.

many of them men and women in business, lay blame on the short-term goals that management—particularly in publicly traded companies—is said to pursue.

Cris Campos, vice president for operations and engineering with Union Carbide Industrial Bases in Tonawanda, New York thinks all four factors have affected pro-

ductivity. But he, like most of the others, sounds disgusted with American business's focus on short term profits.

"There's too much emphasis on what Wall Street thinks of the business, rather than on running the business for the long term best results of the enterprise," Mr. Campos says seriously. Such short

sightedness may be the cause underlying two other factors the President's "Economic Report" blames for the current slowdown—a decrease in capital investments per worker and a slower pace of technological change.

The Gas Company's Mr. Mares thinks another factor has a big impact on productivity: the legal system. "The sue-now-and-ask-questions-later mentality, the legal system, must change," he urges, and a reduction in such costs nationwide would make a big difference in bottom line business performance.

One of the hardest questions we asked is whether the U.S. government should even the competition somewhat by imposing the same restrictions on Japanese imports as Japan places on U.S. imports. America as a whole seems torn between believing in free trade and a desire to retaliate against the Japanese. The Hispanic leaders still tend to favor free trade, 57 percent to 43.

"Tariffs don't work. Why shoot ourselves in the foot?" objects Ronald Lopez, a partner in the law firm Thelen, Marrin, Johnson & Bridges. That's certainly true of trade with Mexico, according to 86 percent of the survey group. They say they're optimistic that we'll see more gains than losses from free trade. And virtually everybody—97 percent—sees Mexico's businesses benefiting.

"It is true that certain products requiring low-skill labor will move to Mexico," says Peat Marwick's Mr. Miramontes, "but this growth in the Mexican economy will generate hard currency to be spent on products that require high skill techniques. American companies should look for opportunities to increase sales of their sophisticated products to Mexico."

An important dissenter on this issue is Congressman Torres. He expects Mexico to score more gains than losses from a free trade agreement with us, and that on balance the United States will suffer. "As structured," he maintains, "manufacturing and investments will flow into Mexico to take advantage of its low labor cost and environmental laxness."

But we got the most heated comments by far from individuals upset by Reagan

Hispanic Leaders Weigh The Social and Political Issues

1. A national health care system for the United States looks more and more like an idea whose time has come.
 - a. Would you favor it if our taxes had to go up to pay for it?
Yes: 53 percent No: 47 percent
 - b. Would you favor it if all employers had to provide coverage?
Yes: 61 percent No: 38 percent
2. The Reagan-Bush administrations and the Supreme Court have increasingly eroded minority civil rights, specifically cutting back on affirmative action, goals in hiring, set asides, and college admissions. A proposed White House initiative last year would have abolished all equal opportunity programs.

Agree with these policies: 33 percent
Disagree with these policies: 67 percent
3. President Bush has established and staffed the White House Initiative on Hispanic Educational Excellence, which will prepare a report card on what the government is doing.
 - a. The federal government should do more to improve educational opportunities for Hispanics:
Yes: 87 percent No: 13 percent
 - b. This is a job for state and local governments Yes: 86 percent No: 14 percent
4. Does bilingual education help Spanish-speaking Hispanic students by easing the transition to English or does it delay English language fluency?
It helps: 54 percent It hurts: 46 percent
5. Should our priorities be focused on American issues first, or should we accept global responsibilities as the one remaining superpower?
America first: 52 percent Carry the torch: 48 percent
6. How these views correlate with past votes:
In 1980 52 percent voted for Reagan, 43 percent for Carter
In 1984 53 percent voted for Reagan, 43 percent for Mondale
In 1988 55 percent voted for Bush, 40 percent for Dukakis

Source: HISPANIC BUSINESS poll of more than 500 high influence professionals nationwide.

and Bush administration efforts to erode minority civil rights protection. Specifically, 67 percent disagree with the policies of cutting back on affirmative action and goals in hiring, minority set asides, college admissions, and minority scholarships. Not surprising, considering that last year the White House even proposed abolishing all equal opportunity programs, only to do a fast about face when a political firestorm erupted.

Bronx Borough President Fernando Ferrer voices the common reaction that

"Civil rights, liberty, and opportunity have eroded during the Reagan-Bush era."

One effect, says Houston law partner Mr. Gonzales, is that "Hispanics are still not adequately represented in board rooms, as CEOs of companies, and as partners in major law and accounting firms. There is still a great deal of work that needs to be done to eliminate prejudice and bigotry. And civil rights legislation also means providing educational opportunities to minorities. As a Hispanic American, I ask only for an equal opportunity." —continued

Roybal: A Long-Distance Runner Who Made a Difference

Retiring Congressman Edward Roybal stuck to his issues for 30 years.

By Hector Cantu

Mention a liberal Democrat congressman who has spent three decades fighting for bilingual education, the poor, and government aid to new immigrants, and the hackles of most conservatives pop up instinctively. Mention that this lawmaker finally is abandoning his Washington post, and his political enemies couldn't be happier. Right?

Wrong.

U.S. Representative Edward Roybal of Los Angeles arguably has become one of the most powerful Mexican Americans on Capitol Hill. He has served on the important House Appropriations Committee, and

"He is a good man," says a Los Angeles County GOP official who asks not to be named. "He has a bona fide interest in helping his people. He's one of the better legislators we've had in California. I have to admit that he did a lot for economic development."

Comments from his friends and political allies are even kinder.

"Edward Roybal has been a major voice in Hispanic politics in the past half century," says Harry Pachon, director of NALEO and a professor of political science at the Claremont Colleges in California. "On a larger scale, he established mainstream leadership that happens to be Hispanic."

U.S. Representative Solomon Ortiz, a Democrat from Corpus Christi, said in prepared comments that Mr. Roybal has "served with courage and dignity for three decades. He is loved, admired and respected. He will be greatly missed as a member of Congress, but I have no doubt we will continue to rely on his counsel and wisdom in the years to come."

"We're losing a great, a tremendous, power," says 14-year friend U.S. Representative Albert Bustamante, a Democrat from San Antonio. "He is not called one of the cardinals 'just because.' He is one of the most powerful members of Congress. We will miss him dearly."

But a Roybal absence in Washington



U.S. Representative Edward Roybal of Los Angeles is retiring from Capitol Hill after 30 years furthering "a bona fide interest in helping his people."

"He is not called one of the cardinals 'just because.'"

— Representative
Albert Bustamante

heads the Select Committee on Aging. He founded the National Association of Latino Elected and Appointed Officials, and the Hispanic Congressional Caucus.

Yet—in a telling insight into his political popularity—some Republican leaders greeted Mr. Roybal's February decision to forego a 16th term in Congress with, well, sadness.

may not last long. The congressman's 52-year-old daughter, Lucille Roybal-Allard, will try this fall to follow in her father's footsteps—albeit as a representative of the congressional district adjacent to the downtown East Los Angeles neighborhood her father has represented without interruption since 1962.

"I wanted to make history [with the first father-daughter congressional team]," Mr. Roybal, 76, says, "but after I visited my wife's doctor, I changed my mind." The doctor's diagnosis: The constant air travel between Los Angeles and Washington was too demanding on Mr. Roybal's wife Lu-

cille, 74. And since "my wife goes with me everywhere," he smiles, there was only one decision. To end his distinguished political career and settle down at home in Los Angeles.

The announcement surprised many colleagues and political observers. Mr. Roybal in December told the *Los Angeles Times* he had no plans to retire, saying "My health is good. I think I can still handle myself as well as I used to when I was younger." But the December 23 story threw doubts on the congressman's political power, stating that California colleagues were "rankled" when the 15-term congressman "could not muster the necessary political clout" to prevent Congress from raiding the entire \$1.1 billion in federal immigrant assistance funding targeted for California.

As a result, the federal government will withhold about \$600 million in reimbursements for medical, welfare, and educational costs to California during the current fiscal year. The *Times* reported that medical clinics and education programs serving legalized immigrants throughout California would close for the lack of funds.

No lawmaker from California, the newspaper reported, was in a better position to protect the funds. "He wasn't forceful, he wasn't aggressive, and he didn't seem to know how to work the system," the newspaper quoted an anonymous fellow California Democrat as saying.

Congressman Bustamante sees it differently, blaming the loss of funds on a resurgence of isolationism. "It's hard to garner support for these kinds of funds with a nation tinged with some degree of racism," Mr. Bustamante says. "He is one of dozens of California congressmen, so there is blame to spread around. The congressman has lost no power. He is a giant and he goes out a giant."

In his own defense, Mr. Roybal says, "We got no help from the budget committee, and other states were against us." But, the congressman predicts with a strong degree of certainty, "We'll get it [aid to new immigrants] back this year."

Congressman Roybal never has been one to give up easily. In the late 1940s, a

group of Mexican Americans began a drive to have one of their own elected to the Los Angeles City Council. Mr. Roybal—a native of New Mexico who at age four moved with his family to the Boyle Heights area of Los Angeles—was selected and in 1947 made an unsuccessful run for a council seat.

But he and his supporters did not give up. Two years later, after intense voter registration drives, Mr. Roybal became the first Mexican American member of the Los Angeles City Council in 66 years. During his 13 years on the Council, he devoted much of his time to developing community health and child care programs. And social and economic reforms remained on his agenda when he was elected to represent California's 25th Congressional District in 1962.

"He has pushed an agenda in a quiet and unassuming way," Congressman Bustamante comments.

In 1967, Mr. Roybal won approval for the first federal bilingual act. A year later he introduced a successful bill to create a cabinet level Committee on Opportunities for Spanish Speaking People. He also was among the first members of Congress to support research funds for AIDS and Alzheimer's disease. "These were diseases that no one wanted to fund then, but I did," he observes.

Another source of pride: his work with senior Americans. Thanks in large part to Mr. Roybal, there are 20 centers across the country dedicated to applied gerontology. When he leaves office, he plans to work at the Edward Roybal Gerontology Center at California State University-Los Angeles. "At the Gerontology Center I can do some good and be home with my wife," he explains.

Until his retirement, Congressman Roybal still is concerned with national issues—issues he hopes Congress will



Lucille Roybal-Allard will try this fall to follow in her father's footsteps, as representative of a Los Angeles district adjacent to the one her father has served since 1962.

continue to tackle once he leaves office.

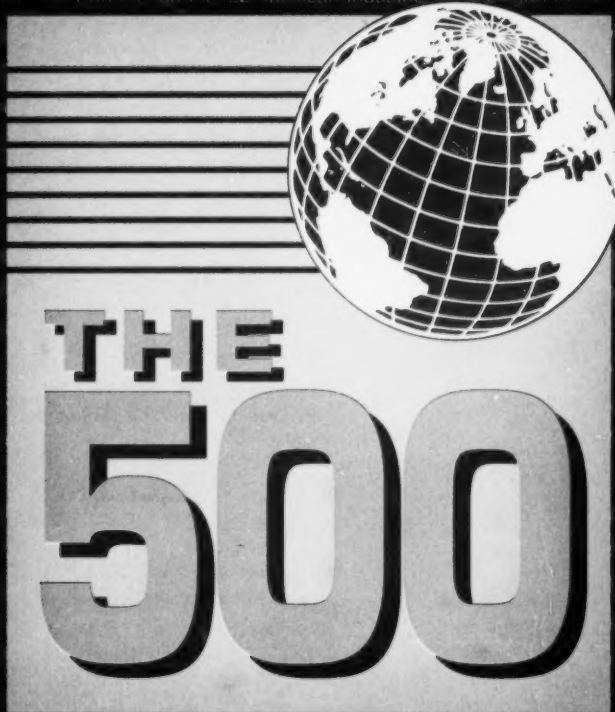
He calls the English-only trend "disturbing. We are a multilingual country and we should be. We should encourage students to speak English and other languages to start communicating with the rest of the world." There also must be more educational opportunities for "poor people and migrant workers in various barrios across the country. We need a system that does not encourage drop-outs and provides opportunities to go to a university. There is no effort being made to keep youngsters in school. Parents need to contribute. We used to be among the top 10 in the field of education, the first in health. Now we only excel in research."

The government, Mr. Roybal continues, "has neglected the poor of this country. That has to change. We need a change of attitude. That includes the incumbent and those running against him."

This fall, Mr. Roybal will witness his last presidential election as a U.S. congressman. Looking back on his career, he says, "I want to be remembered as a guy who worked hard on behalf of the people of his district...and that'll be good enough for me." □

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1992 Directory of the Nation's Largest Hispanic Owned Corporations



**Sales Are Up
10.1%**

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June 1992



COVER STORY

Irma Elder, CEO of Troy Ford, boosted sales \$114 million—more than any other company on the 500.

38



Lloyd Chavez, CEO of Burt on Broadway, is new to the 500 with sales of \$423 million.

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Nancy Archuleta's company, Mevatec Corp., is one defense contractor that prepared for the peace dividend.

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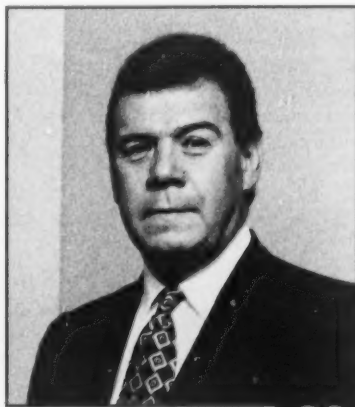
The top 500 Hispanic companies in the 50 states and District of Columbia impact markets around the globe, one reason why they performed as strongly as they did in 1991.

Cover design by Buffalo Brothers Studios West.



Carlos Lara of the Mexican Investment Board says Mexico's small businesses need more access to credit.

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Media man Frank Cruz co-founds first Hispanic owned national life insurance company.

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gest companies—the *Fortune* 500. What can we say, besides what we all know so well? That Hispanics are used to hard work in the face of adversity? That we are creative? That we are persistent? That we're serving a market sector enjoying dynamic growth in size and spending power?

Much of the answer, of course, is that Hispanic firms are part of the small business growth phenomenon characteristic of the past 10 years or so. Small business continues to be the main growth sector of the U.S. economy.

We will, of course, refer the media to examples of the many stories of growth we know so well. In this issue alone we can point to more than a dozen stories of entrepreneurs who have been able to grow their companies significantly in a time of economic change.

Take for example Abel Holtz, CEO of Capital Bancorp in Miami. His bank now has more than \$1 billion in assets. Like so many eminently successful Hispanic entrepreneurs, he arrived on these shores 31 years ago, a gift to America thanks to Fidel Castro.

Also consider Alex Meruelo in California, a native New Yorker who started his first business when he was 17 and who now, 11 years later, is planning to go public with his \$12.5 million company, La Pizza Loca.

From New York comes the story of two half-brothers of Puerto Rican descent, George Cruzado and Ray Pabon, who now run one of the biggest privately owned telecommunications companies in the metropolitan area—Technical Telephone Systems. And consider Nancy Archuleta's Mevatec Corporation in Alabama. When the company lost a major contract a few years ago, she came close to closing the doors forever. But with perseverance and ingenuity the company expanded and diversified. It has never been healthier.

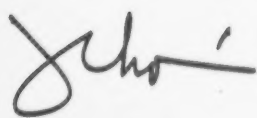
And then there is the story of Roberto and Rose Marie Espat, who came to New Mexico from the little Central American country of Belize just 11 years ago seeking a healthy climate for their asthmatic daughter. Their new company, Roses Southwest Papers, is a major paper products supplier to McDonald's Corporation, and buys and sells paper around the world.

Also consider Frank Cruz and Manuel Sanchez, who after years of persisting have finally established the first Hispanic-owned national life insurance company.

Then, for the growing number of Hispanic businesses and other individuals involved with foreign trade, we continue our in-depth coverage of our neighbor to the south, Mexico.

This month we look at an otherwise forgotten sector of Mexico's economy—the small business sector, which makes up 98 percent of the country's business activity. We call it the forgotten sector because the Salinas Administration has yet to focus public policy attention on the needs of small companies, possibly the most socially relevant sector of Mexico's business fabric.

"...Hispanics are used to hard work in the face of adversity..."



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BPA CONSUMER MAGAZINES

The Report Card on Minority Lending

Community Reinvestment Act's bank grading system still getting up steam.

By Isabel Fonseca

Since 1977, federally chartered banks have been rated—in compliance with the Community Reinvestment Act (CRA)—based on their track records in providing loans to their local communities, and particularly in improving the bank's borrowing opportunities for minorities and women.

But until 1990 our banks could sweep any bad ratings under the doormat. Now the report card is public, and the law says that banks have to disclose their ratings to anyone who requests them. Information on these ratings is also available from the Compliance Management Division, Comptroller of the Currency, Washington DC 20219.

Has public grading been a motivation for increased lending to minority entrepreneurs? Wells Fargo, the nation's eighth biggest bank, increased its lending to minorities and women more than 14-fold between 1990 and 1991—from \$17 million on 192 loans, to \$113 million on 1,278 loans. Competitor Bank of America increased its low-income area home loans from \$482 million to \$587 million in the same period.

Yet, as one Washington insider who prefers not to be named points out, these "better banks" already have established records showing they've been receptive to reinvestment in the communities that they serve. Meanwhile, the source explains, the CRA grading standards may not be all that high, and an apparent lack of "teeth" in the overall system still provides virtually no incentive for the lower scoring banks to improve if they are not already so disposed.

Of the nearly 4,000 federally chartered banks in the United States, 963 have received CRA report cards since public grading began in 1990. B of A and Wells Fargo are among 102 banks in this group (10.4 percent) that were rated "outstanding" under the CRA this year. Another 733 (76.0 percent) earned a lower, "satisfactory," rating; only 12.7 percent were tagged as "need improvement"; and a miniscule .9 percent—nine small banks—were judged

plication in 1990, a year of structural upheaval in the banking community, and was "unable to provide" the number of applications it turned down in 1991. We do know that poor CRA ratings had been raised as issues before several of the recent big mergers were approved.

But publicity is another matter. Given the CRA's lack of evident teeth, minorities themselves may have to put the bite on underperforming banks. "When a bank receives a poor rating on provision of service to its community, that is an opportunity for our people," maintains Victor Rodriguez, president of the Los Angeles Chapter of the Hispanic Bankers Association. "We can approach that bank with ideas for services and products that will meet our needs better."

Certainly, negative media attention is helping San Francisco's minority-backed Greenlining Coalition to gain concessions. The considerable bad press California's Japanese-owned banks have received for a general failure to invest in the local community has made them sensitive to negotiations with the Greenlining Coalition on improvements in minority lending, employment, and contracting practices, and in their contributions to local charities.

At this point, the Coalition, which is "co-chaired" by the Latino Issues Forum and its head, John Gamboa, has negotiated an agreement with Union Bank (77 percent owned by the Bank of Tokyo). The commitment, says Union Bank spokesperson Ken Green, includes a package of community service loans totaling \$148 million for 1991-92. Additional agreements are pending at presstime, Mr. Gamboa reports, with Sumitomo, Sanwa, and Mitsubishi—the second, fourth, and sixth largest banks in the world.

Meanwhile, Hispanics interested in knowing more about the CRA and in improving its clout should take their questions to Congressman Henry B. Gonzalez. Mr. Gonzalez, a Democrat representing central San Antonio, has been a leader in the push for public and meaningful disclosure of bank lending practices, and since 1988 has been chair of the House Banking, Finance, and Urban Affairs Committee, which has jurisdiction over the CRA legislation. (1)

Community Reinvestment Act Bank Ratings

July 1, 1990 through February 29, 1992

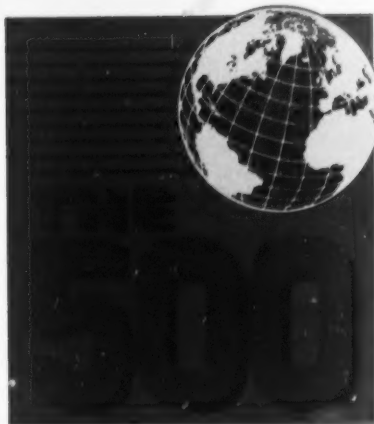
Rating	Number of Banks	Percent
Outstanding	102	10.4 %
Satisfactory	733	76.0 %
Needs Improvement	119	12.7 %
Substantial Noncompliance	9	0.9 %
TOTAL	963	100.0 %

Sources: Comptroller of the Currency, "News Release," November 25, 1991, "Interpretations and Actions," December 1991, January 1992, February 1992, and March 1992.

to be in "substantial noncompliance."

Exactly what happens if a bank is branded less than satisfactory in the area of community reinvestment?

Legally, just one thing. The CRA rating is one of several factors ("evaluation tools") that the Comptroller of the Currency considers when a bank applies for permission to open a new branch or merge with another bank. But in fact the Comptroller turned down exactly one such ap-



Recession?

The 500 post 10.1 percent

**1992 Directory
of the Nation's
Largest
Hispanic Owned
Corporations**

Isn't there supposed to be a recession on? That's what we started asking as we reviewed the revenues of this year's **HISPANIC BUSINESS 500**.

For most of corporate America, recovery is still a speck on the horizon. The domestic product is as flat as glass or steel—two of our many ailing industries.

"It Was the Worst of Years," is the title of *Fortune's* 500 listing this year. The country's top 500 manufacturers posted dismal results: a loss, in fact. Total sales fell 1.8 percent in 1991 (\$40.5 billion). Profits fell a sickening 41 percent (\$38.3 billion). One hundred-three of the *Fortune* 500 lost money.

It was a record. It was the worst drop in the elite listing's 38-year history.

The **HISPANIC BUSINESS 500**, on the other hand...hoisted sales by 10.1 percent in 1991. That's up from \$9 billion to \$10 billion—an increasing part of it reflecting the Hispanic business community's growing export capacity.

The growth seems to be occurring across the board, too. We wondered if it might all be coming from the new companies on our listing—the 135 companies that pushed other enterprises off the 500 this year. For example, just the newly listed Burt on Broadway auto dealership (now number 2) adds \$422.68 million to total sales. But a calculation of growth for only the 365 carryovers from 1991 still shows a revenue gain of about 9 percent (from \$7.67 billion to \$8.35 billion).

The average company in the listing is up almost \$2 million this year, from about \$18 million in 1991 to just under \$20 million. Another measure of growth is that the cutoff point—the revenue of the last company on the list—was 7 percent higher this year. Number 500, Ventura, California hazardous waste managers Holguin Fahan & Assoc., had sales of \$3 million.

And observe profits. Most of the **HISPANIC BUSINESS 500** are privately held, be-



Michigan-based Troy Ford CEO Irma Elder upped her revenues by \$114 million in 1991—from \$39.97 million in 1990 to \$153.62 million—placing the company at number 6.

What Recession?

growth.

cause one requirement for inclusion in the listing is that the company be at least 51 percent U.S. Hispanic owned. When a company goes public, ownership is usually more widely spread. Since private companies are not required to divulge their profits publicly, we ask the 500 to report their percent profit range only—with the understanding that the information they provide will be kept confidential and reported in the aggregate.

Of the companies reporting their profit range, 21 percent say they are in a higher range this year, 52 percent are in the same range, and 27 percent are banking a smaller proportion of their revenues.

Still, 38 percent of the **HISPANIC BUSINESS 500** have profits equaling 6 percent of sales or more. Another 57 percent enjoy up to 5 percent return on sales. Only 4.9 percent report a loss in 1991—about the same as last year, and far less than the 20 percent of all *Fortune* 500 firms reporting losses.

Some of the biggest gains came from Hispanic auto dealers, again in sharp contrast to a losing trend for the industry in general. CEO Irma Elder of Troy Ford in Troy, Michigan upped her sales an almost unbelievable \$114 million, from \$39.87 million in 1990 to \$153.62 million in 1991. The jump improved Troy Ford's position on the 500 this year from number 47 to 6.

About \$110 million of that gain, says the savvy CEO, comes from her new fleet sales business—particularly from a deal she made with the Hertz Corp. that involved selling "between 12,000 and 13,000 cars to Hertz for a small amount of profit." The rest of Ms. Elder's increase, between \$3 million and \$4 million, came from better sales in her retail outlets.

And Burt on Broadway (the Broadway

Top 10 Companies By Revenue		
Company	1991 \$ Million	Description
1 Bacardi Imports Inc.	580.00	Rum/Wine Import/Dist.
2 Burt On Broadway	422.68	Automotive Sales & Svc.
3 Goya Foods Inc.	410.00	Hispanic Food Mfg./Mktg.
4 Sedano's Supermarkets	221.34	Supermarket Chain
5 International Bancshares Corp.	161.85	Financial Svcs.
6 Troy Ford	153.62	Automotive Sales & Svc.
7 Pizza Management Inc.	150.00	Restaurant Chain
8 Cal-State Lumber Sales Inc.	147.36	Wood Product Sales
9 Handy Andy Supermarkets	142.55	Supermarket Chain
10 Ancira Enterprises Inc.	132.00	Automotive Sales & Svc.

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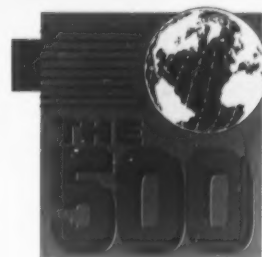
Top 10 Companies By Employees		
Company	# Employees	Description
1 Pizze Management	5,300	Restaurant Chain
2 The Vincam Group	4,200	Employee Leasing
3 Handy Andy Supermarkets	1,700	Supermarket Chain
4 Goya Foods Inc.	1,600	Hispanic Food Mfg./Mktg.
5 Sedano's Supermarkets	1,485	Supermarket Chain
6 RioStar Corp.	1,300	Tex-Mex Specialty Rest. Chain
7 Ruiz Food Products Inc.	1,123	Mexican Food Mfg.
8 Gator Industries Inc.	1,050	Shoe Mfg.
9 Oscar J. Ortega Ranches	1,000	Grape/Citrus/Vegetable Growers
10 CTA Inc.	950	Aerospace/Defense Systems

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that runs through Englewood, Colorado) upped its sales by about \$70 million during 1991. Headed by CEO Lloyd Chavez, Burt on Broadway deals in Chevrolet, Geo, Toyota, and Subaru nameplates.

Burt on Broadway displaced Goya Foods of Secaucus, New Jersey this year

for the number 2 spot on the **HISPANIC BUSINESS 500**—a perch Goya had occupied since 1987. Yet Goya, now number 3, just had its best year ever. The Hispanic food purveyor added a mouth-watering \$80 million on the income side this year—boiling up from \$330 million to \$410 million in



the 12 months of 1991.

Goya's growth came from introduction of "a whole bunch of new products," says Marketing Vice President Conrad Colon, and from huge new warehouses to enhance distribution capabilities in the East (Massachusetts) and Southwest (Texas).

Another big winner is Cal-State Lumber Sales in San Ysidro, California (number 8)—showing a gain of \$43.37 million, up from \$104.01 million to \$147.36 million during 1991. Positioned right on the Mexican border, Cal State buys rough cut lumber from Northern California and the Pacific Northwest, then sells the lumber to a plant in Tijuana, buys back finished moldings and frames, and sells them on both sides of the border.

The company made at least \$10 million of that new money by simply turning their trash into inventory, grins Director of International Relations Mary Alice Acevedo. "Before, we had a big valley full of waste sawdust. Now we sell it to cogeneration plants in Northern California."

Another border business, International Bancshares Corp. (IBC) in Laredo, Texas, is also growing fast because of its "gift of geography." IBC, which is the nation's biggest minority-owned bank, pushed revenues from \$141.49 million to \$161.85 million during 1991, and notched up one place on the 500—from number 6 to number 5.

"Laredo has been booming ever since 1987 when Mexico joined the General Agreement on Tariffs and Trade (GATT)," declares IBC Senior Vice-President Jorge Haynes. "Ever since then it has been one high leap to a higher high." Client service keeps the business once it's found, he says. It's CEO Dennis Nixon's motto to "stick to the basics, and serve the client as you'd

like to be treated yourself."

What that means, for example, is that each bank officer, no matter what his or her other responsibilities, must make personal contact with a good-sized group of current customers each month. "That's real target marketing," Mr. Haynes says.

A second Texas firm, San Antonio-based Pizza Management Inc. (number 7), distinguished its final year on the **HISPANIC BUSINESS 500** with continued growth. The company, which has agreed to sell back all of its 236 Pizza Hut and Taco Bell franchises to PepsiCo, pushed sales up by \$17 million in 1991, from \$133.44 million to \$150 million. According to the agreement

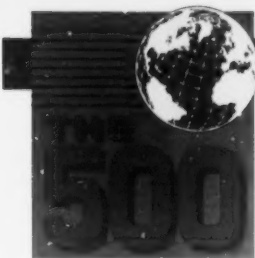
Pizza Management's CEO Arturo Torres struck with PepsiCo, many of the franchises he's selling will be resold to Hispanic entrepreneurs.

Two supermarket chains continue to rank in the top 10. Miami-based Sedano's Supermarkets (number 4) expanded under the direction of CEO Manuel Herran from \$267 million in sales to \$225 million during 1991. The Miami-based company, which serves mostly a Hispanic clientele with 23 supermarkets and 10 pharmacies, added a new market in South Miami during 1991, and another outlet in Hialeah this April.

The other high-ranking supermarket



*The 28-year-old La Pizza Loca CEO Alex Meruelo first moved his California-based pizza restaurant chain onto the **HISPANIC BUSINESS 500** at the age of 25. This year he's number 168.*



chain is Handy Andy Supermarkets in San Antonio (number 9). Handy Andy is one of three top 10 companies that did lose some ground in 1991—dipping from \$154 million to \$142.55 million. Handy Andy's President David Salazar explains that sales expansion was punctured in the final quarter of 1991 when the company got "caught in the crossfire of a price war" between other directly competing large South Texas supermarkets.

But growth will be good long term, Mr. Salazar predicts, because the company has plans in motion to expand its Hispanic niche position beyond the core San Antonio area, therefore also achieving greater economies of scale in purchasing. "We took an exciting first step in July 1991," he says, when the company snifted from the regional grocery distributor it had been using to the largest national distributor in the country.

Another top 10 company in San Antonio that took a sales hit in 1991 is America's third largest Hispanic-owned auto dealership, Ancira Enterprises Inc. (number 10). The company, which sells Chevrolet, Geo, Jeep Eagle, and GMC Trucks and motor homes through four dealerships in San Antonio and Temple, Texas, reports a falloff in sales for 1991 of \$6 million—from \$138 million to \$132 million. CEO Ernesto Ancira, who has been running on the Republican ticket for a seat in the Texas State Senate, nevertheless also plans to boost company sales again in 1992 with the addition of one or two new dealerships.

The biggest slide in sales among the top 10 came for the company that has led the **HISPANIC BUSINESS 500** since 1984—the winner and still number 1 with 1991 sales of \$580 million, Bacardi Imports in Miami. Bacardi reportedly wasn't all that surprised to see some slippage after its record breaking \$102 million advance to \$602 million for 1990. The \$20 million revenue drop during '91 was more apparent than real, explains Bacardi's Human Resources VP Jose Aragon, because a new federal excise tax on spirits that went into

Top 10 Companies in Revenue Per Employee		
Company	\$ Millions	Description
1 Mexalloy Int'l Inc.	7.45	Ferroalloys Dist.
2 Suram Trading Corp.	6.14	Seafood Importing
3 Malaco Int'l Inc.	4.00	Petroleum Products/Chemicals
4 Interamerican Trading & Products Corp.	3.13	Fresh and Frozen Seafood Importing
5 Delta Shoe Group Inc.	2.64	Footwear Importing/Dist.
6 Precision Trading Corp.	2.52	Consumer Electronics
7 Marman USA Inc.	2.18	Chemical Mfg./Dist.
8 Bacardi Imports Inc.	2.07	Rum/Wine Import/Dist.
9 High Coffee Corp.	1.88	Coffee Importing/Dist.
10 Plastec USA Inc.	1.80	Plastic/Chemical Sales

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Top 10 Companies By Revenue Growth		
Company	1991	1990
	(\$ Million)	
1 Troy Ford	153.62	39.87
2 Goya Foods Inc.	410.00	330.00
3 Colsa Corp.	90.00	46.02
4 Cal-State Lumber Sales Inc.	147.36	104.01
5 T.R. Companies	46.28	12.50
6 Mexican Industries in Michigan Inc.	75.00	42.27
7 First Capital Advisers Inc.	43.00	12.00
8 Ramos Oil Company Inc.	87.60	60.01
9 International Bancshares Corp.	161.85	141.49
10 Lloyd A. Wise Inc.	117.00	98.00

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effect on January 1, 1991 had spurred an estimated \$15 million in "advance" buying just at the end of 1990.

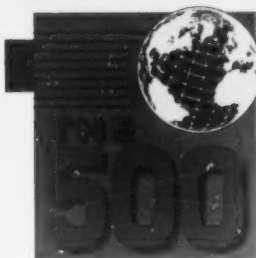
Meanwhile, Bacardi did improve its profit picture in 1991, Mr. Aragon says, by widening the spread between the cost and sale price of its brands. The company has in fact "had a strategy of raising the shelf price of the [Bacardi] brand over the past three years," Mr. Aragon explains, "because relative to the image of the brand it was not at the correct price."

While the country's 500 biggest Hispanic owned companies generally show dynamic growth there is remarkable stability in geographic distribution. California, with 132 companies on the **HISPANIC**

BUSINESS 500 listing, picked up two more companies to post a commanding lead over Florida, which dropped this year from 114 to 112. Texas finished third with 67 companies.

While there are more Hispanic companies in California, the Florida and Texas companies tend to be larger. In terms of total sales, the Florida companies lead with \$2.8 billion. California is second with \$1.9 billion, and Texas, with half the listed companies, is close to California with \$1.5 billion. Total sales for the companies listed in each of these three states are about the same as last year.

In terms of industry mix, the largest sector dollar-wise is wholesaling (\$2.4 bil-



lion, up from \$1.9 billion in 1990), followed by service companies (\$2.1 billion, up from \$1.6 billion), and manufacturing (\$1.9 billion, up from \$1.9 billion), for a total gain of \$2.0 billion.

Although there was real growth in the wholesale, service, and manufacturing groups, at least half of their gain in 1991 results from a shift in our definition of industries. To be compatible with the sector breakdown used by the U.S. Bureau of the Census, we no longer list a separate "food" sector—which last year included 40 companies with revenues of \$1.2 billion. These types of companies are now categorized by function (e.g., manufacturing, or wholesale) rather than product.

The smaller transport and finance industry groups are up \$344 million and \$49 million, respectively.

Retail businesses also comprise a large segment of the **HISPANIC BUSINESS 500**—\$1.6 billion in 1991. This sector, however, shrank slightly overall, down about \$258 million from 1990. Construction shrank by \$47 million overall, to \$746 million; diversified is down \$29 million to \$125 million; and agriculture is down \$16 million to \$12 million.

Total employment of the **HISPANIC BUSINESS 500** was almost flat during 1991, up from 72,624 in 1990 to 72,762. In fact, however, most companies expanded their payroll. The numbers look stagnant because two temporary personnel agencies that together employed 6,487 during 1990 are not included in this year's listing. One of these agencies, Personnel Contractors in Minneapolis, is being reorganized. The other agency, CTI Temporaries, is no longer 51 percent Hispanic owned.

Pizza Management held onto the number 1 place in total employment, as it has each year since 1988, with an additional 700 employees—up from 4,600 in 1990 to 5,300 during 1991. But the Vincam Group, number 2 in total work force, tops the list in growth with 1,700 new employees. This Miami-based employee leasing company, headed by Carlos Saladrigas, increased

Top 10 Companies By Percent Growth

Company	1991 Revenue \$ Million	1990 Revenue \$ Million	Percent Growth
1 Troy Ford	153.62	39.87	285
2 T.P. Companies	46.28	12.50	270
3 First Capital Advisers Inc.	43.00	12.00	258
4 D.V. Gonzalez Electric Inc.	9.65	3.11	210
5 Nelson Maintenance Services Inc.	11.00	4.45	147
6 Pharmed Group	31.81	14.64	117
7 Rosas Computer Company Inc.	23.05	11.70	97
8 Colisa Corporation	90.00	46.02	95
9 De La Fuente Auto Group	37.00	19.00	95
10 META Inc.	10.50	5.60	88

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Top 10 States

State	# of Companies	Revenue \$ Million
1 CA	132	1,937
2 FL	112	2,778
3 TX	67	1,450
4 NY	27	510
5 VA	17	233
6 CO	15	564
7 NM	15	161
8 IL	15	110
9 AZ	12	108
10 NJ	11	517

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HISPANIC BUSINESS 500 By Sector

Sector	# Companies	% of Companies	Revenue \$ Million
Service	134	26.8%	2,137
Wholesale	98	19.6%	2,444
Manufacturing	94	18.8%	1,908
Construction	82	16.4%	746
Retail	59	11.8%	1,599
Transport	21	4.2%	531
Finance	8	1.6%	400
Diversified	3	0.6%	125
Agriculture	1	0.2%	12
Total			\$9,922 M

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its payroll from 2,500 to 4,200.

In sales per employee, Mexalloy International (number 30 on the **HISPANIC BUSINESS 500**) in Mobile, Alabama, leads the list for the fourth year. Mexalloy's small but productive work force distributes alloys used in steel manufacturing, and averages sales of \$7.45 million per employee.



George Cruzado, chair of Technical Telephone Systems Inc. in New York (number 214), has with brother and equal partner Ray Pabon grown the business through innovative product development.

By all measures, it has been a year of extraordinary vigor for the Hispanic business community—a year of remarkable growth in the midst of recession. Based on these solid statistics, we have only the highest hopes for 1992, and now welcome information from all companies wishing to be considered for the listing.

The **HISPANIC BUSINESS 500** includes only companies that are at least 51 percent owned by Hispanics who are U.S. citi-

Public Companies Headed by Hispanics

Going public is the eventual goal for most entrepreneurs starting a business. When a company finally takes this step, the initial investors are able to cash out a portion of their investment, often for millions of dollars.

Now a few companies that began under Hispanic ownership are beginning to go public. Those public companies that either retain the required 51 percent or more Hispanic ownership, or are headed by a Hispanic, are listed here. They are traded on major stock exchanges, such as the New York Stock Exchange (NYSE) or the National Association of Securities Dealers Automated Quotations (NASDAQ).

Of these, two companies are listed on the **HISPANIC BUSINESS 500** as Hispanic owned: Candy's Tortilla Factory in Colorado and Latin Foods International in Los Angeles. Three companies listed last year are off this year. Coca-Cola Enterprises, Coke's biggest bottler, and Southwest Cafes (formerly El Chico Corp.) are no longer headed by Hispanics. And Miami's Southeast Bank has been taken over by First Union Bank.

Company, Location, Management, Exchange, and Symbol

1991 Sales \$ Million

The Coca-Cola Company, ... 11,571.6
Atlanta NYSE KO
Roberto Goizueta, CEO

Office Depot, Delray
Beach, Florida NYSE ODP 1,301.0
David I. Fuente, CEO

Stanhome Inc., Westfield,
Massachusetts NYSE STH 710.2
Alejandro Diaz, CEO

Candy's Tortilla Factory Inc.,
Pueblo, Colorado NASDAQ CNDY 32.1
Anthony Estrada, CEO

Preferred Homecare* of
America, Miami Lakes,
Florida NASDAQ PFRD 6.1
Carlos Herrera, CEO

Latin Foods International,
Los Angeles NASDAQ LATN 5.8
Angel Santos, Chair, CEO

GB Foods, Anaheim,
California NASDAQ GBFC 8.5**
Ruben Rodriguez, Chair

Helix BioCore***,
Minneapolis NASDAQ HLIX 0
Manuel Villafañe, CEO

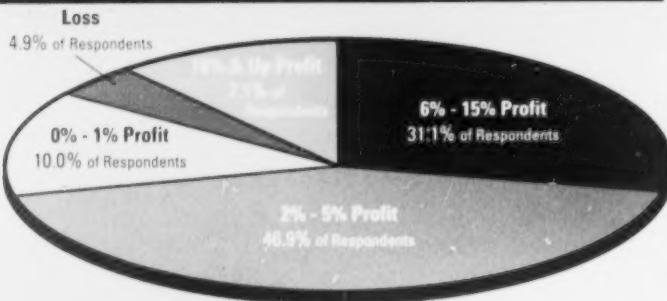
* In the process of being acquired by Home Intensive Care.

** Excludes sales of GB Foods' 39 Green Burrito franchises.

*** Possibly to be renamed ATS Medical Inc.

zens, and which are headquartered in one of the 50 states or Washington, D.C. While **HISPANIC BUSINESS** makes every effort to include all the largest U.S. Hispanic-owned companies, some businesses are not included because they chose not to disclose the information required, or did not provide it in a timely manner. Still, this 10th annual listing of the 500 is the most complete compilation of America's largest Hispanic-owned businesses ever assembled.

HISPANIC BUSINESS 500 By Profit Range



YEAR FOUNDED

Decade	# Companies
Before 1960	55
1960s	68
1970s	181
1980s	191
After 1990	5

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In Memoriam

Antonio R. (Tony) Sanchez Sr.

One of the country's most prominent Hispanic business leaders, Antonio R. (Tony) Sanchez Sr., died recently in San Antonio. He was 75.

A truly Texan entrepreneur with a down-to-earth sense of humor, Mr. Sanchez made a fortune with the Sanchez-O'Brien Oil and Gas Corporation, which he founded in 1973 with his son Tony Jr. Together, in 1974 they discovered the largest natural gas field in history up to that time—in Zapata County, and Webb County (of which Laredo is the county seat). With 1991 sales of \$29 million, Sanchez-O'Brien ranks number 73 on the **HISPANIC BUSINESS 500**.

But there's more. In 1966, with \$1 million in capital, Mr. Sanchez helped found a modest bank in downtown Laredo. Under his leadership as chairman, it grew to become the International Bancshares Corp., a multi-bank holding company with 1991 assets of \$1.7 billion and revenues of \$161.85 million. It is the largest bank headquartered on the U.S./Mexico border and the biggest minority owned bank in the country, ranking number 5 on the 500.

As Mr. Sanchez told **HISPANIC BUSINESS** two years ago, IBC's founders wanted to build a bank that would serve the community, not just the big ranchers, because "unless you had some cow manure on your

boots, you couldn't get a loan from the two banks that were here." Today International Bancshares Corp. is a network of 26 bank locations sweeping through the border communities of Laredo, San Antonio, Zapata, and the entire Rio Grande Valley. It employs more Hispanic men and women in leadership positions than all other Texas banks combined.

Dennis Nixon went to work for Mr. Sanchez in 1974 and became president of IBC in 1975. He remembers Mr. Sanchez as a man of enormous goals. "I spent most of my time trying to keep him from publicly predicting ever grander accomplishments for IBC," Mr. Nixon recalls fondly. "He was great at telling everyone that we were going to be a billion dollar bank, and that we needed to get there quick, because he was too old to wait around. Well, we did hit that billion dollar mark in 1990."

Maybe most remarkable is that this fabulously successful entrepreneur was in business almost 35 years—running a business equipment firm with Tony Jr.—before the big adventures started. But all along, this man who left school early to support his family was an ardent propo-



The late, legendary Texas oil man and banker, Tony Sanchez Sr. (right), stands by the vault with International Bancshares Corp. CEO Dennis Nixon.

nent of education: one of the organizers of Laredo Junior College and a founder, director, and major supporter of the 4 U Foundation of Laredo State University.

Mr. Sanchez also distinguished himself in the international community. He was on a first name basis with much of the leadership of Mexico and the United States, Mr. Nixon recalls, as an early and active supporter of North American free trade. He saw the beginning of a hemisphere-wide economic block, with Laredo and South Texas as a central sphere of influence.



Starting at the Top

Nothing like starting at the top! Lloyd Chavez owns an auto sales and service company called Burt on Broadway in Englewood, Colorado that joins the **HISPANIC BUSINESS 500** this year as number 2 with \$422.68 million in sales and 565 employees. Only the perennial leader, Bacardi Imports, reports bigger sales.

In fact, it's been a long, hard climb to the top. Mr. Chavez says that "after growing up as poor as I was, I hoped some day to have more for my family. My desire to excel goes back to grade school, when I realized that a little fellow like me would have to try harder." In high school, weighing just 118 pounds, he made All-State quarterback for Colorado.

After serving in the Navy during World War II and then graduating from college, by 1950 Mr. Chavez was ready to begin his career. He had set his sights on working for a big business. General Motors looked good, and offered him a job—if he could wait three months.

He couldn't, so in the meantime GM lined up a temporary job for him with Nathan Burt, who had owned a Chevrolet dealership since 1939. Far from being the big business that Mr. Chavez was looking for, Burt Chevrolet at that time had only 31 employees and was the next to smallest dealership in the Denver area.

Mr. Chavez found that, to his surprise, he rather liked his interim position. After a few weeks he could even see a future at the little dealership. But, he says, "I never dreamt that I would take over the business and stay for 42 years."

At first the dealership had a strict allocation of no more than 30 cars a month. Mr. Chavez was the only new car salesperson. In the early years he worked seven days a week and often as late as 9:30, "when they would switch the lights off on me."

As the business gradually expanded, he worked his way up the organization. "It was not just one giant leap," he points out. Mr. Chavez became a used car lot manager, subsequently the general sales man-

ager, and in 1975 the general manager. He started buying into the business in 1966, when Burt Chevrolet expanded to include the Toyota line and took on the overall name "Burt on Broadway."

Getting in on the ground floor of a dealership is not as costly as buying an existing franchise, Mr. Chavez points out, "but no dealerships come cheap." As a down payment, he signed his home over to Burt Chevrolet and borrowed the rest from the company.

For 10 years after buying into the Toyota dealership, Mr. Chavez says he "lived on an austerity plan." So in 1970, when Burt on Broadway added the Subaru line, he was able to increase his share of the import business from 25 to 35 percent.

Even though his career was moving faster than he ever dreamed possible, it did not really begin to take off until 1975. "I was working at a slow pace for many years," Mr. Chavez recalls. It was in 1975 that he was able to buy into the Chevrolet dealership.

In 1982 Mr. Chavez became majority owner of the Burt on Broadway dealerships, purchasing the 35 percent of the business owned by Mr. Burt's son, Allen. Finally, in 1987, Mr. Chavez finished buying out the remaining shares owned by the Burt family. He made sure that his buyout agreement included the rights to continue calling the business "Burt on Broadway," since it had become "a household name."

The "on Broadway" part of the name is a conscious play on New York's famous avenue. "I had the idea for a marquee type of logo complete with lights," Mr. Chavez recalls. The business has 3,400 feet fronting on Colorado's Broadway, the main north-south street stretching from Denver south to Englewood.

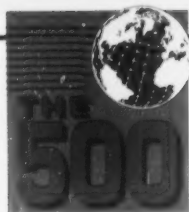


Standing here between two of his favorite lines—Chevrolet and Toyota—is Lloyd Chavez, owner of Burt on Broadway in Englewood, Colorado, the largest Hispanic-owned automotive dealership in the country.

Burt on Broadway is now a far cry from the little dealership Lloyd Chavez went to work for 42 years ago. It has 41 acres of cars, typically holding 700 new Chevrolets, 400 new Toyotas, 200 new Subarus, 150 new Geos, more than 100 new Daihatsus, and about 1,000 used cars.

Sales volume keeps rising constantly, even though the recession has hurt Denver worse than most areas. For personal reasons Mr. Chavez has not previously made his company's sales public. But he tells us now that in 1989 they had sales of \$219 million, and jumped to \$350 million in 1990. Then with the expansion of their fleet sales—to Hertz, Avis, U S West, and the Colorado police force—the company had its best year ever with sales volume of \$423 million.

The difference in the auto business today as opposed to a decade ago, Mr. Chavez says, is that it has become consumer driven. "Nowadays there is no substitute for satisfying the customer," he explains. "Because people are more knowledgeable, we have to be able to answer their questions—even make sure that we volunteer information." As a result, the company has the highest customer satisfaction index in the Denver metropolitan area for every nameplate it carries. **Q**



HISPANIC BUSINESS

Rank 1992	Rank 1991	Company and Location	Chief Executive	Type of Business	Number of Employees	Year Started	1991 Sales*
1	1	Bacardi Imports Inc., Miami, FL	Juan Grau	Rum/Wine Import/Dist.	280	1944	\$580.00
2	*	Burt on Broadway, Englewood, CO	Lloyd G. Chavez	Automotive Sales & Svc.	565	1939	422.68
3	2	Goya Foods Inc., Secaucus, NJ	Joseph A. Unanue	Hispanic Food Mfg./Mktg.	1,600	1936	410.00
4	3	Sedano's Supermarkets, Miami, FL	Manuel A. Herran	Supermarket Chain	1,485	1962	221.34
5	6	International Bancshares Corp., Laredo, TX	Dennis E. Nixon	Financial Svcs.	620	1979	161.85
6	47	Troy Ford, Troy, MI	Irma B. Elder	Automotive Sales & Svc.	109	1967	153.62
7	8	Pizza Management Inc., San Antonio, TX	Arturo G. Torres	Restaurant Chain	5,300	1975	150.00
8	12	Cal-State Lumber Sales Inc., San Ysidro, CA	Benjamin Acevedo	Wood Product Sales	102	1984	147.36
9	5	Handy Andy Supermarkets, San Antonio, TX	A. Jimmy Jimenez	Supermarket Chain	1,700	1983	142.55
10	7	Ancira Enterprises Inc., San Antonio, TX	Ernesto Ancira Jr.	Automotive Sales & Svc.	285	1983	132.00
11	9	Capital Bancorp., Miami, FL	Abel Holtz	Financial Svcs.	715	1974	126.96
12	4	Van Dyke Dodge Inc. ¹ , Warren, MI	Frank Galeana	Automotive Sales & Svc.	269	1977	124.50
13	10	Frank Parra Autoplex, Irving, TX	Mike and Tim Parra	Automotive Sales & Svc.	265	1971	123.25
14	13	Lloyd A. Wise Inc., Oakland, CA	Anthony A. Batarse Jr.	Automotive Sales & Svc.	246	1914	117.00
15	*	CTA Inc., Rockville, MD	C.E. (Tom) Velez	Aerospace/Defense Systems	950	1979	115.00
16	11	Gaseteria Oil Corp., Brooklyn, NY	Oscar Porcelli	Gasoline Stations	465	1972	106.00
17	14	Precision Trading Corp., Miami, FL	Israel Lapciuc	Consumer Electronics	42	1979	106.00
18	15	Condal Distributors Inc., Bronx, NY	Nelson Fernandez	Food Dist.	250	1968	95.00
19	16	TELACU, Los Angeles, CA	David C. Lizarraga	Economic Develop./Financial Svcs.	720	1968	93.00
20	41	Colsa Corp., Huntsville, AL	Francisco J. Collazo	Engineering Svcs.	660	1980	90.00
21	20	Eagle Brands Inc., Miami, FL	Carlos M. de la Cruz Sr.	Beer Dist.	195	1984	89.40
22	17	Northwestern Meat Inc., Miami, FL	Elpidio Nunez	Beef/Seafood Dist.	120	1961	89.05
23	27	Ramos Oil Inc., West Sacramento, CA	William Ramos	Petroleum Products Dist.	123	1951	87.60
24	24	Ruiz Food Products Inc., Dinuba, CA	Frederick R. Ruiz	Mexican Food Mfg.	1,123	1964	77.85
25	28	CareFlorida Inc., Miami, FL	Paul L. Cejas	Health Insurance	125	1986	75.50
26	44	Mexican Industries in Michigan Inc., Detroit, MI	Henry J. Aguirre	Automotive Trim Mfg.	567	1979	75.00
27	23	Rosendin Electric Inc., San Jose, CA	Raymond J. Rosendin	Electrical Contracting	500	1919	71.00
28	25	H & H Meat Products Co. Inc. ² , Mercedes, TX	Laborio E. Hinojosa	Meat Packing/Dist.	320	1947	68.92
29	35	Infotec Development Inc., Santa Ana, CA	J. Fernando Niebla	Aerospace Engr./Systems Devel.	750	1978	68.66
30	19	Mexalloy Int'l Inc., Mobile, AL	Enrique Gomez Palacio	Ferroalloys Dist.	9	1984	67.06
31	26	Vega Enterprises Inc., Las Vegas, NV	Rafael E. Vega	Variety Store Prod. Dist.	135	1978	64.89
32	34	Pan American Hospital, Miami, FL	Carolina Calderin	Hospital Svcs.	611	1963	62.55
33	30	Gator Industries Inc., Hialeah, FL	Guillermo Miranda Jr.	Shoe Mfg.	1,050	1970	61.00
34	29	RJO Enterprises Inc., Lanham, MD	Richard J. Otero	Computer/Telecomm. R&D	550	1979	61.00
35	36	Avanti Press Inc., Miami, FL	Joe Arriola	Web Offset Printing Svcs.	375	1965	60.10
36	32	Pacifica Services Inc., Pasadena, CA	Ernest M. Camacho	Engineering Svcs.	700	1979	56.45
37	46	Bared and Company Inc. (The), Miami, FL	Jose P. Bared	Mechanical Contracting	400	1967	52.00
38	40	Cacique Inc., Industry, CA	Gilbert L. de Cardenas	Cheese & Meat Mfg./Dist.	240	1974	51.75
39	39	Business Men's Insurance Corp., Miami, FL	Antonio M. Sierra	Life/Health Insurance	50	1973	51.60
40	21	Gus Machado Enterprises Inc., Hialeah, FL	Gus Machado	Automotive Sales & Svc.	116	1984	47.68
41	49	Advanced Sciences Inc., Albuquerque, NM	Ed L. Romero	Engineering/Environ. R&D	513	1977	47.28
42	38	La Reina Inc., Los Angeles, CA	Mauro P. Robles	Mexican Food Mfg.	483	1958	47.00
43	163	T.R. Companies, Houston, TX	Teresa Rodriguez	Fin./Ins./Comp. Svcs, Emp. Leasing	30	1985	46.28
44	*	Miami Honda/Central Hyundai, Miami, FL	Carlos M. de la Cruz Sr.	Automotive Sales & Svc.	132	1990	46.22
45	42	World Travel and Incentives Inc., Minneapolis, MN	Robert De Lafayette Cox	Travel Svcs.	160	1975	44.73
46	37	AIB Financial Group Inc., Miami, FL	Jose M. Alvarez	Financial Svcs.	250	1986	44.20
47	172	First Capital Advisers Inc. & Affil., New York, NY	Gerry Angulo	Money Management Svcs.	35	1987	43.00
48	*	Suram Trading Corp., Coral Gables, FL	Guido Adler	Seafood Importing	7	1983	43.00
49	54	Vincam Group (The), Miami, FL	Carlos A. Saladrigas	Employee Leasing	4,200	1985	43.00
50	33	Refricenter of Miami Inc., Miami, FL	Cirilo Hernandez	A/C & Refrig. Dist.	102	1971	42.00

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HISPANIC BUSINESS

Rank 1992	Rank 1991	Company and Location	Chief Executive	Type of Business	Number of Employees	Year Started	1991 Sales*
51	43	Frederick Cadillac Inc., Lebanon, PA	Frederick C. Laurenzo	Automotive Sales & Svc.	85	1984	41.29
52	48	Gato Distributors, Miami, FL	Juan A. Galan Jr.	Beer Dist.	135	1986	40.20
53	51	J.T. Slocumb Co., S. Glastonbury, CT	E. John Gregory	Aircraft Engine Components	430	1891	39.45
54	45	Metro Ford Inc., Miami, FL	Lombardo Perez	Automotive Sales & Svc.	99	1983	39.00
55	108	De La Fuente Auto Group, El Cajon, CA	Roque De La Fuente	Automotive Sales & Svc.	104	1980	37.00
56	60	National Systems & Research Co., Colo. Springs, CO	Celestino E. Archuleta	Information Systems Svcs.	572	1980	35.80
57	55	Reynoso Bros. Int'l, City of Industry, CA	Jose Reynoso	Mexican Food Dist.	80	1968	35.60
58	58	Alrod International Inc., Burlingame, CA	Alberto M. Rodriguez	Customs Broker/Freight Fwdg.	60	1978	35.18
59	52	Mason Distributors Inc., Hialeah, FL	Carlos J. Rodriguez	Vitamins/Healthcare Prod. Dist.	200	1967	34.00
60	70	RioStar Corp., Houston, TX	Roland D. Laurenzo	Tex-Mex Specialty Rest. Chain	1300	1973	34.00
61	76	Microretailing Inc., Miami, FL	Francisco Victoria	Microcomputer Svcs.	62	1983	33.00
62	104	Comprehensive Technologies Int'l Inc., Chantilly, VA	Celestino M. Beltran	Software Develop./Systems Integ.	525	1980	32.30
63	78	Candy's Tortilla Factory Inc., Pueblo, CO	Anthony J. Estrada	Tortillas/Tortilla Chip Mfg.	480	1957	32.10
64	57	Magnet Industrial Group Inc., Milford, CT	John Soto	Aircraft Parts/Computer Disks Mfg.	250	1970	32.00
65	142	Pharmed Group, Miami, FL	Carlos M. de Cespedes	Pharm./Medical Supplies Dist.	83	1981	31.81
66	91	Torrado Inc., San Antonio, TX	Alberto M. Torrado	Automotive Sales & Svc.	86	1983	31.78
67	59	TAMSCO, Calverton, MD	N.R. Innerbichler	Electronics Mfg. & Telecom.	439	1982	30.26
68	63	Spanish Broadcasting System Inc., New York, NY	Raul Alarcon Jr.	Radio Stations	180	1983	30.10
69	100	Sani Serv, Indianapolis, IN	Gabriel E. Aguirre	Ice Cream & Yogurt Machine Mfg.	120	1977	30.00
70	73	C&F Foods Inc., City of Industry, CA	Manuel G. Fernandez	Dried Beans/Rice/Popcorn Dist.	70	1975	29.54
71	62	Stadium Lincoln-Mercury, Youngstown, OH	Flor Navarro	Automotive Sales & Svc.	80	1983	29.40
72	56	1-Day Paint & Body Centers Inc., Torrance, CA	Javier R. Uribe Sr.	Auto Painting/Bodywork	450	1967	29.00
73	65	Sanchez-O'Brien Oil & Gas Corp., Laredo, TX	A.R. Sanchez Sr.	Oil/Gas Exploration & Devel.	80	1973	29.00
74	*	Esco Wholesale Electric Inc., Gilbert, AZ	Timothy D. Tapia	Electrical Supplies Dist.	90	1976	28.00
75	96	Malaco Int'l Inc., San Francisco, CA	Manuel Llama	Petroleum Prod./Chemicals Dist.	7	1977	28.00
76	79	Mendez Dairy/Tropical Cheese Ind. Perth Amboy, NJ	Rafael Mendez	Dairy/Cheese Mfg.	90	1974	28.00
77	83	F. Gavina and Sons Inc., Vernon, CA	Pedro L. Gavina	Specialty Coffee Roasting	125	1967	27.70
78	66	Popular Ford Sales Inc., Brooklyn, NY	Harry F. Rizzo	Automotive Sales & Svc.	69	1980	27.44
79	88	Paul Young Auto Mall, Laredo, TX	Paul H. Young Jr.	Automotive Sales & Svc.	114	1941	26.98
80	67	Solvents & Chemicals Inc., Pearland, TX	Gabriel Baizan	Solvents/Chemicals Pkg./Dist.	62	1981	26.68
81	*	Delta Shoe Group Inc., Miami, FL	Homero R. de la Torre	Footwear Importing/Dist.	10	1975	26.40
82	90	El Dorado Furniture Corp., Miami, FL	Manuel Capo	Home Furnishings Sales	248	1967	26.22
83	68	Camino Real Chevrolet, Monterey Park, CA	Mike A. Hernandez Sr.	Automotive Sales & Svc.	90	1976	25.00
84	101	Washington Consulting Group Inc., (The), Wash., DC	Armando C. Chapelli Jr.	Aviation/Computer Systems Svcs.	370	1979	24.30
85	89	Dickshire Distributing, El Paso, TX	Ramiro Guzman	Beer Dist.	97	1988	24.30
86	*	MVM Inc., Falls Church, VA	Dario O. Marquez Jr.	Investigation/Security Svcs.	798	1979	24.17
87	86	Marman USA Inc., Tampa, FL	Frank G. Cisneros	Chemical Mfg./Dist.	11	1982	24.00
88	74	Intercontinental Metals Inc., Miami, FL	Antonio Guedes	Aerospace Metals Dist.	37	1978	23.45
89	99	San Diego Wholesale Electric, San Diego, CA	Robert S. Zamarripa Jr.	Electrical Supplies Dist.	53	1983	23.10
90	180	Rosas Computer Co. Inc., Corpus Christi, TX	Leo Rosas	Computer Sales/Svc.	86	1983	23.05
91	124	Tamiami Automotive Group, Miami, FL	Carlos Planas	Automotive Parts, Sales & Svc.	73	1989	22.37
92	118	Development Associates Inc., Arlington, VA	Leveo V. Sanchez	Mgmt. Svcs./Govt. Consulting	80	1969	22.21
93	94	De Lara Travel Consultants, Coral Gables, FL	Hector G. De Lara Jr.	Corporate Travel Svcs.	46	1974	22.00
94	95	Graphic Productions Corp., Miami, FL	Noel Hernandez	Comm. Web Offset Printing	170	1974	22.00
95	*	JAK Construction Inc., Falls Church, VA	Jorge A. Kfoury	Commercial Interior Contracting	45	1982	21.48
96	145	Scion Steel Inc., Warren, MI	Carlos E. Hurches	Steel Dist.	50	1984	21.42
97	72	Metro Litho Inc., Moonachie, NJ	Manuel de Torres	Comm. Web Offset Printing	100	1964	21.40
98	*	Steve's Equipment Service Inc., West Chicago, IL	Stephen L. Martinez	Const. Equip./Sales/Svc./Leasing	61	1988	21.33
99	93	Matlyn-Stofel Foods Inc., Brooklyn, NY	Roberto Arguello	Supermarket Chain	180	1982	21.30
100	152	Government Micro Resources Inc., Chantilly, VA	Humberto A. Pujals	Microcomputer/Network Systems	50	1981	21.20

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HISPANIC BUSINESS

Rank	1991	Company and Location	Chief Executive	Type of Business	Number of Employees	Year Started	1991 Sales*
101	87	Cantu Services Inc. , Burkburnett, TX	Ricardo M. Cantu	Govt. Food Svc. Contracting	850	1981	21.00
102	•	Aucoin & Miller Electric Supply Co. , Houston, TX	B.T. (Tom) Miller	Electrical Supplies Svcs.	65	1967	20.94
103	127	King Taco Restaurants Inc. , Los Angeles, CA	Raul O. Martinez	Fast Food Restaurant Chain	417	1974	20.84
104	113	Casey Luna Ford-Mercury Inc. , Belen, N.M.	Casey Luna	Automotive Sales & Svc.	59	1981	20.45
105	•	Dial-A-Mattress , Long Island City, NY	Napoleon Barragan	Mattress Sales	150	1977	20.40
106	141	O.R.A. Corp. , San Diego, CA	Oscar M. Ancira Sr.	Frozen Mexican Food/Mfg.	225	1984	20.10
107	69	All-State Packing Co. Inc. , San Antonio, TX	Jesse M. Quiroz	Beef Packing	85	1966	20.00
108	125	Plastec U.S.A. Inc. , Miami, FL	Hector V. Sosa	Plastic/Chemical Sales	11	1985	19.80
109	134	R.L. Chaides Construction Co. Inc. , Fremont, CA	Rudy L. Chaides	Gen. Engineering/Concrete Const.	100	1959	19.80
110	106	Spillis Candela & Partners Inc. , Coral Gables, FL	Hilario F. Candela	Architect/Engineering Svcs.	170	1926	18.89
111	•	Electropolis Corp. , Miami, FL	Tulio Rodriguez	Consumer Electronics Dist.	17	1988	18.58
112	110	Kemron Environmental Services Inc. , McLean, VA	Juan J. Gutierrez	Environmental Consulting	250	1975	18.58
113	111	Cabo Distributing Company Inc. , South El Monte, CA	Federico Cabo	Beer/Wine/Liquor Import./Dist.	34	1970	18.48
114	151	Valverde Construction Inc. , Whittier, CA	Joe A. Valverde	Underground Utilities Installation	144	1972	18.39
115	•	Salazar Construction Inc. , Corpus Christi, TX	Ismael C. Salazar	General Contracting	75	1960	18.21
116	129	Supreme International Corp. , Miami, FL	George Feldenkreis	Men's Apparel Mfg.	120	1961	18.06
117	122	Dynamic Ocean Svcs. Int'l Inc. , Houston, TX	Alexander G. Arroyos Sr.	Customs Broker/Freight Fwdg.	48	1973	18.00
118	92	Gateway Chevrolet & Geo. , La Mirada, CA	Michael A. Padilla	Automotive Sales & Svc.	60	1985	18.00
119	148	La Villarena Inc. , Miami, FL	Osvaldo J. Castillo	Meat Products Dist.	30	1972	18.00
120	121	McBride & Associates Inc. , Albuquerque, NM	Teresa McBride	Computer Products/Svcs.	35	1985	17.00
121	166	Hernandez Engineering Inc. , Houston, TX	Miguel A. Hernandez Jr.	Engineering Svcs.	345	1983	16.79
122	130	Gonzalez Design Engineering , Madison Heights, MI	R. J. Gonzalez	Engineering Consulting	325	1975	16.70
123	192	UniBoring Company Inc. , Livonia, MI	Facundo Bravo	Precision Machining	90	1978	16.70
124	120	Syst., Requirements & Svcs. Assoc. , Arlington, VA	Ramon A. Alvarez	Aviation-Related Consult./Training	324	1983	16.47
125	136	Sun Eagle Corp. , Chandler, AZ	Martin Alvarez	General Contracting	35	1978	16.40
126	150	Tramex Travel , Austin, TX	Juan Portillo	Travel Svcs.	42	1984	15.80
127	•	Blue Star Ready Mix Inc. , Moorpark, CA	James P. Sandoval	Const. Mat./Ready Mix Concrete	115	1976	15.76
128	140	Carfel Inc. , Miami, FL	George Feldenkreis	Aftermarket Transmission Parts	120	1961	15.74
129	224	Bonanza Tire Sales Inc. , Houston, TX	Rudolf J. Lozano	Tire Sales	51	1976	15.70
130	204	Northbrook Computers Inc. , Northbrook, IL	Carlos M. Frum	Microcomputer/Network Systems	33	1980	15.66
131	135	World Variety Produce Inc. , Vernon, CA	Joe V. Hernandez	Wholesale Produce	70	1984	15.60
132	•	Injectionics Inc. , Clinton, MA	Carlos M. Barañano	Plastic Injection Molding	135	1942	15.50
133	235	Sciencetech Inc. , Idaho Falls, ID	Larry J. Ybarondo	Environmental Safety/Waste Mgmt.	250	1983	15.48
134	115	Richard Electric Supply Co. Inc. , Miami, FL	Julian Fernandez Jr.	Electrical Supplies Dist.	61	1961	15.26
135	128	Hoffman-Cortes Contracting Co. , Kansas City, MO	Gary H. Cortes	General Contracting	35	1921	15.20
136	189	Bi-State Holdings Inc. , Milan, IL	Robert Ontiveros	Industrial Packaging Mfg.	100	1974	15.18
137	191	Allee Construction Co. Inc. , Los Angeles, CA	Oscar Bracamonte	General Contracting	45	1973	15.00
138	175	Republic-Lagun Machine Tool Co. , Carson, CA	Norbert Toubes	Machine Mfg.	79	1969	15.00
139	221	Sound Electric Corp. , Bronx, NY	Lawrence Rego	Electrical Contracting	103	1981	15.00
140	126	Union General Insurance Co. , Miami, FL	Julio E. Marty	Auto Insurance	90	1984	14.82
141	•	Economy Laundries Inc. , El Paso, TX	J.C. Viramontes	Industrial Laundry Svcs.	610	1972	14.58
142	•	Northeast Commonwealth Inc. , Lakewood, NJ	Juan A. Gutierrez	Road/Bridge/Treatment Plant Const.	40	1978	14.50
143	165	Securiguard Inc. , McLean, VA	Patricia De L. Marvil	Security/Maintenance Svcs.	700	1982	14.29
144	107	Commercial Lumber and Pallet Co. Inc. , Industry, CA	Raymond Gutierrez	Lumber & Pallet Mfg.	150	1941	14.28
145	184	Andes Chemical Corp. , Miami, FL	Fernando Espinosa	Chemicals Dist.	8	1986	14.00
146	71	Best Western Paving Co. , Walnut, CA	James Ortega	Gen. Engineering/Paving	92	1976	14.00
147	149	G. Valdes Enterprises Inc. , Palatine, IL	Gilberto Valdes	Janitorial Svcs.	12	1973	14.00
148	139	Marsden Reproductions Inc. , New York, NY	Frank Flores	Comm. Printing/Graphics	129	1950	14.00
149	196	Intra-Amer. Found. & Drilling Co. Inc. , Phoenix, AZ	Salvador H. Altamirano	Foundation Construction	103	1986	13.95
150	•	Borrell Inc. , Tampa, FL	Anthony J. Borrell Jr.	Electr. Const./Fire Protection Syst.	150	1947	13.91

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HISPANIC BUSINESS

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151	167	Raemica Corp., (The)®, Highland, CA	Thomas R. Serrato	Beef/Pork/Sausage Dist.	50	1978	13.70
152	*	Baca Motors Inc., Belen, NM	Ruben Albert Baca	Automotive Sales & Svc.	38	1984	13.69
153	153	M/G Electric Co., Medley, FL	Manuel Garcia Jr.	Electric Motor Sales/Svc.	135	1966	13.50
154	*	Omniplan Corp., Culver City, CA	R. E. Montijo Jr.	Tech. Consult./Training Svcs.	325	1971	13.45
155	*	Sherikon Inc., Chantilly, VA	Edward R. Fernandez	Engineering/System Integ.	193	1985	13.45
156	210	Robert Escudero Inc., Altadena, CA	Robert Escudero	General Contracting/Asphalt Paving	40	1978	13.30
157	164	Vanegas Enterprises Inc.?, Louisville, KY	Guillermo J. Venegas Sr.	Plastic Pipes/Ventilation Mfg.	110	1972	13.26
158	*	Ramona's Mexican Food Products, Gardena, CA	Ramona Acosta Bahuuelos	Mexican Food Mfg.	245	1946	13.20
159	213	Fred Burgos Construction Co. Inc., Montgomery, AL	Fred Burgos	General Contracting	92	1972	13.12
160	*	Florida Lumber Co., Miami, FL	Ignacio Perez	Building Materials Sales	70	1967	13.08
161	181	Solares Florida Corp., Miami, FL	Alberto E. Solares	Industr. Process Equip. Mfg.	34	1975	13.01
162	169	Allstate Specialty Services Inc., Long Island City, NY	Rey J. Nieto	Janitorial/Painting Svcs.	450	1980	13.00
163	170	Beagle Products Inc.?, Miami, FL	Rafael Puga	Fish/Seafood Importing	15	1987	13.00
164	262	Advanced Data Concepts Inc., Portland, OR	Frank E. Rivera Sr.	Computer Software Engr. Systems	450	1979	12.68
165	251	Computer Resource Management Inc., Herndon, VA	Ervin E. Torrez	Computer Software Svcs.	170	1978	12.59
166	220	Air Conditioning Systems Inc., La Habra, CA	Richard E. Cervantes	Gen./Mechanical Contracting	18	1983	12.50
167	173	Interamerican Trading & Products Corp., Miami, FL	Claudio A. Feuermann	Fresh/Frozen Seafood Importing	4	1983	12.50
168	203	La Pizza Loca Inc., Buena Park, CA	Alex Meruelo	Restaurant Chain	800	1986	12.50
169	196	Lucero Computer Products, Idaho Falls, ID	Yvonne R. Lucero	Computer Sales & Svc.	25	1983	12.32
170	133	All Modes Transport Inc., Elizabeth, NJ	Anthony Ruiz	Transportation/Warehousing/Dist.	50	1983	12.00
171	*	Roto Industries, Anaheim, CA	Raul O. Rangel	Automated Refuse Container Mfg.	68	1979	12.00
172	*	Hi-TEC Associates Inc., Lakeland, FL	Joseph M. Gonzalez	Technical/Engineering Svcs.	280	1983	11.86
173	143	Oscar J. Ortega Ranches, Thermal, CA	Oscar J. Ortega	Grape/Citrus/Vegetable Growers	1000	1966	11.80
174	161	Titan Rubber & Supply Co. Inc., San Jose, CA	David M. Rodrigues	Industrial Rubber Dist.	32	1976	11.80
175	*	Herman/Miles Trucking Inc., El Paso, TX	Rudolph Miles Jr.	Trucking Svcs.	80	1984	11.75
176	158	Crossland Construction Co. Inc., Columbus, KS	Ivan L. Crossland	Comm. Building Contracting	60	1977	11.66
177	183	Ankmar Door Inc., Denver, CO	Robert A. Martinez	Garage/Elect. Door Mfg./Dist.	50	1956	11.50
178	155	Albert H. Half Associates Inc., Dallas, TX	Jose I. Novoa	Architect/Engineering Svcs.	175	1950	11.35
179	*	ZMG Inc.®, Fontana, CA	Joe J. Gomez	Food Dist.	14	1979	11.29
180	375	Nelson Maintenance Services Inc., Yonkers, NY	Nelson Gisbert	Janitorial/Painting Svcs.	350	1976	11.00
181	239	Valencia Motors Inc., Santa Fe, NM	Henry Valencia	Automotive Sales & Svc.	35	1990	10.85
182	*	Specialty Materials Co. Inc., Santa Ana, CA	John M. Magaña	Building Material Dist.	20	1978	10.64
183	277	G.S.E. Construction Co. Inc., Livermore, CA	Roderico Gutierrez	General Contracting	50	1980	10.56
184	238	Dixie Numerics Inc., Lake City, GA	Orlando A. Suarez	Precision Machining/Stampings	81	1961	10.53
185	*	Airparts Co. Inc., Wichita, KS	Marta E. Maxwell	Aircraft Parts Dist.	22	1963	10.50
186	218	Algas Enterprises Inc., Miami, FL	Gustavo R. Lima	Tire/Tubes Dist.	16	1974	10.50
187	330	META Inc., Miami, FL	Maria Elena Toraño	Computer/Environ. Mgmt. Svcs.	130	1980	10.50
188	187	Miramar Electric Supply Co., Miami, FL	Hector M. Rivero	Electrical/Electronic Supplies Dist.	22	1974	10.50
189	217	Pueblo Broadcasting Corp., Houston, TX	Jose Adan Treviño	Spanish Television Station	53	1984	10.49
190	205	Saez Refrigeration Inc., Miami, FL	Pedro Justo Saez	A/C & Refrig. Supplies Dist.	50	1978	10.48
191	*	Duran Oil Company, Trinidad, CO	J.R. Duran	Gasoline/Diesel/Lubricants Dist.	25	1977	10.30
192	199	South Coast Construction Services Inc., Houston, TX	David K. Milam Sr.	General Contracting	125	1981	10.25
193	156	Gancedo Lumber Co. Inc., Miami, FL	Martin A. Perez	Hardware/Building Material	66	1968	10.20
194	200	La Rosa Del Monte Express Inc., Bronx, NY	Hiram Rodriguez	Moving/Shipping/Storage	114	1969	10.20
195	194	Alaniz & Sons Inc., Mt. Pleasant, IA	Salvador Alaniz Sr.	Direct Mail Svcs.	300	1978	10.19
196	177	H-R Industries Inc., Richardson, TX	Paul R. Dickinson	Printed Circuit Board Mfg.	119	1976	10.17
197	*	Best Meridian Insurance Co., Coral Gables, FL	Leonard J. Pelletiere	Life Insurance	13	1987	10.15
198	215	Consol. Drum Recondit. Co. Inc., Montebello, CA	Joseph Cruz	Steel Drum Reconditioning	150	1952	10.11
199	176	Chihuahua Inc., Fresno, CA	Frank J. Villegas	Mexican Food Mfg./Dist.	220	1947	10.09
200	208	Cordova Bolt Inc., Buena Park, CA	Moses E. Cordova	Nut/Bolt/Screw Dist.	45	1975	10.05

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201	*	MCC Marble Ceramic Center [®] , Miami, FL	Juan Carlos Monzon	Tile/Marble/Related Prod. Sales	40	1984	10.03
202	*	Burtin Corp., Santa Ana, CA	Carlos Burtin	Polyurethane Foam Prod. Mfg.	16	1982	10.00
203	202	Casa Herrera Inc., Los Angeles, CA	Alfred J. Herrera	Processing Equip Mfg.	150	1970	10.00
204	*	Electric Supply of Salinas, Salinas, CA	J. Luis Zabala Sr.	Electrical Supplies Dist.	60	1943	10.00
205	174	Orange Coast Electric Supply Co. Inc., Irvine, CA	Jim Espinosa	Electrical Supplies Dist.	35	1980	10.00
206	*	Philatron International Inc., Santa Fe Spring, CA	Phillip Ramos Jr.	Electronics/Electr. Wire/Cable Mfg.	45	1974	10.00
207	180	S.O.S. Office Systems Inc., Pinellas Park, FL	Mitchell A. Maana	Office Machines	100	1972	10.00
208	*	Softool Corp., Goleta, CA	Leon Presser	Software Products Devel.	100	1977	10.00
209	214	Captree Chemical Corp., West Babylon, NY	Ernest P. Gonzalez	Chemicals Dist.	28	1977	9.86
210	157	L&M Technologies Inc., Albuquerque, NM	Dennis S. Woywood	Engineering & Network Systems	200	1972	9.86
211	232	City Wide Security Services Inc., Brooklyn, NY	Pedro L. Perez Sr.	Security Guard Svcs.	420	1972	9.82
212	119	Sapper Construction Co., San Diego, CA	E.H. Sapper	Concrete Paving Contracting	70	1963	9.76
213	460	D.V. Gonzalez Elec. & Gen. Contr., East Rochester, NY	Dale V. Gonzalez	Electrical/General Contracting	25	1980	9.65
214	265	Technical Telephone Systems Inc., Staten Island, NY	George Cruzado	Telecom. Systems Sales/Svc.	83	1980	9.50
215	300	Vasallo Construction Inc., Miami, FL	Pedro E. Vasallo	General Contracting	15	1973	9.50
216	207	High Coffee Corp., Houston, TX	Antonio R. Piñero	Coffee Importing/Dist.	5	1986	9.42
217	190	Cardenas Motors Inc., Brownsville, TX	Renato E. Cardenas	Automotive Sales & Svc.	43	1971	9.25
218	211	Sosa, Bromley, Aguilar & Assoc., San Antonio, TX	Lionel Sosa	Advertising Agency	70	1981	9.23
219	182	R&R Masonry Inc., North Hollywood, CA	Rennie C. Tejeda	Masonry Contracting	70	1963	9.20
220	245	Sausedo Metal Products Inc., San Jose, CA	Robert A. Sausedo	Metal Products Mfg.	139	1971	9.17
221	186	Project Advisers Corp., Miami, FL	Linda F. Murphy-Barrera	Property Management	35	1975	9.15
222	229	Arroyo Process Equipment, Clearwater, FL	Frank Arroyo Sr.	Industrial Equipment Dist.	21	1968	9.10
223	230	Henry Valencia Inc., Española, NM	Henry Valencia	Automotive Sales & Svc.	40	1981	9.07
224	*	Mevatec Corp., Huntsville, AL	Nancy E. Archuleta	Aerospace Engineering Svcs.	75	1985	9.06
225	244	McLean Cargo Specialists Inc., Humble, TX	Angel F. Jimenez	Int'l Freight Forwarding	80	1970	9.05
226	97	Pacific Van & Storage Co. Inc., Torrance, CA	Henry A. Pontes	Moving & Storage	100	1951	9.00
227	178	Southern Volkswagen Subaru & Olds., Waldorf, MD	Agustin F. Otero	Automotive Sales & Svc.	28	1970	8.98
228	281	Nemesis Distributors Inc., Miami, FL	Yolanda Rodriguez	Office Equipment Dist.	20	1985	8.97
229	*	Cavazos Candy Prod. & Groc. Whlsl. Inc., Laredo, TX	Ruben Cavazos Sr.	Candy/Product/Grocery Dist.	42	1978	8.93
230	248	Quality Printed Circuits Corp., Phoenix, AZ	Robert L. Gonzalez	Circuit Board Mfg.	100	1914	8.92
231	171	Delma Construction Co. Inc., Bronx, NY	Emanuel Ciminello Jr.	General Contracting	30	1978	8.90
232	257	Borbon Inc., Buena Park, CA	David Morales	Painting/Wall Covering	150	1975	8.80
233	243	Wolfberg/Alvarez and Assoc. Inc., Miami, FL	David A. Wolfberg	Architect/Engineering/Int. Design	85	1976	8.80
234	360	Valor Financial Group, Miami, FL	Jack Valor	Int'l Life/Health Insurance Sales	213	1976	8.75
235	293	CSR Construction Corp., Nutley, NJ	Francisco J. Salas	Architect/Engineering/Int. Design	23	1982	8.61
236	366	J.R. Food Service Inc., Chino, CA	Jeff Duran	Food Svcs.	20	1963	8.60
237	246	Home Educ. Livelihood Prog. Inc., Albuquerque, NM	Ernest E. Ortega	Housing Social Svcs.	700	1965	8.55
238	216	Metro Beer & Soda Distributors Inc., Bronx, NY	Carlos David Nazario Jr.	Beverage Dist.	15	1969	8.50
239	306	Denaba Systems Inc., Miami, FL	Manuel E. Menendez	Microcomputer Software Mfg.	58	1986	8.44
240	226	Consol. Steel & Alum. Fence Co. Inc., Kenilworth, NJ	Paul Cacicedo Sr.	Fence Installation	45	1958	8.40
241	272	JJJ Floor Covering Inc., Pico Rivera, CA	Jose Gutierrez	Carpet/Floor Covering	40	1964	8.33
242	*	Tube America Inc., Houston, TX	Cosme J. Salazar	Steel/Steel-Related Prod. Dist.	15	1988	8.33
243	294	ProServe Corp., Denver, CO	Joseph M. Aragon	Food Service Mgmt.	472	1984	8.26
244	287	Diaz Wholesale & Mfg. Co. Inc., Atlanta, GA	Rene M. Diaz	Mex./Cub./Afr./Carib. Food Dist.	39	1980	8.20
245	303	North American Trade Corp., Houston, TX	Jorge Guiloff	Transport/Const. Equip. Dist.	17	1984	8.16
246	*	Lowell Press Inc. (The), Kansas City, MO	Hugo R. Manco	Commercial Printing Svcs.	83	1913	8.15
247	234	P&E Terminal Co. Inc., Wilmington, CA	Elisa J. Aguilera	Bonded Warehouse	71	1978	8.13
248	255	Vimari Corp., Miami, FL	Orlando L. Bajos	Perfume/Cosmetic Dist.	20	1980	8.04
249	320	Roses Southwest Papers Inc., Albuquerque, NM	Ruberto E. Espat	Paper Products Mfg.	37	1985	8.01
250	260	Ameritrans Cargo Brokers Inc., Miami, FL	Luz D. Estrada	Customs Broker/Freight Fwdg.	15	1980	8.00

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HISPANIC BUSINESS

Rank	Rank	Company and Location	Chief Executive	Type of Business	Number of Employees	Year Started	1991 Sales*
251	256	Miranda Associates Inc., Washington, DC	Lourdes Miranda	Information Management Svcs.	45	1975	8.00
252	•	Growers Ford Tractor Company, Miami, FL	N. Horacio Lopez	Farm/Indust. Tractor/Allied Equip.	35	1950	7.90
253	240	Solo Enterprise Corp., City of Industry, CA	Richard Mugica	Aerospace/Military Machinery Mfg.	89	1974	7.90
254	•	Spray Booth Systems Inc., Fort Worth, TX	John Pereda	Spray Booth/Finishing Systems Mfg.	80	1984	7.81
255	273	RivaSal International, Cincinnati, OH	Luis O. Riva Saleta	Int'l Mktg./Data Processing	6	1982	7.80
256	364	Jesse Fence & Construction Co. Inc., Houston, TX	Jorge L. Casimiro	Fence Mfg.	71	1983	7.74
257	266	Campos Construction Co., Omaha, NE	Robert Campos	General Contracting	40	1977	7.68
258	•	Express Travel, Miami, FL	Olga Ramudo	Travel Svcs.	10	1990	7.62
259	316	Rubio's Restaurant Inc., San Diego, CA	Ralph Rubio	Fast Food Restaurant Chain	250	1983	7.52
260	285	Celestial Travel Inc., Leesburg, FL	Manny J. Rojas	Travel Svcs.	21	1981	7.50
261	212	Savala Construction Co. Inc., Irvine, CA	Leonard Savala	Sewer/Waterline Construction	40	1951	7.48
262	367	Unalite Electric & Lighting Corp., Long Island City, NY	Israel Bulbank	Lighting/Electrical Prod. Dist.	96	1976	7.47
263	•	Compex Corp., Alexandria, VA	Harry G. Garcia	Information Technology Svcs.	109	1980	7.45
264	219	Florida West Agency Inc., Miami, FL	Abelardo Betancourt	Airline Cargo Svcs.	61	1988	7.45
265	395	Mazal Fuel Co. Inc., Bridgeport, CT	Ralph A. Mazal	Gasolines/Diesel/Jet Fuels Mfg.	6	1977	7.42
266	•	Apache Construction Co. Inc., Albuquerque, NM	Mariano Chavez	General Contracting	50	1981	7.32
267	298	Reed Candle Co., San Antonio, TX	Peter N. Reed	Candle Mfg.	75	1937	7.30
268	276	Millhorn Chemical & Supply Co., Maywood, CA	Ralph Marrujo	Chemicals Dist.	22	1954	7.24
269	322	Offshore Traders Inc., Miami, FL	Robert G. Weller	Indust. Machinery/Supplies	8	1960	7.23
270	278	Victory Wholesale Tobacco Dist. Inc., Brooklyn, NY	Jorge C. Rios	Groceries/Candy/Cigarettes Dist.	8	1981	7.15
271	•	J. L. Steel Inc., North Richland Hills, TX	T. Oscar Treviño Jr.	Commercial & Highway Const.	64	1989	7.14
272	297	Ram Enterprises Inc., Valencia, CA	Marlene Monstein	Aerospace Component Mfg./Dist.	14	1985	7.12
273	335	Shifa Services Inc., Hackensack, NJ	Jorge A. Haedo	Janitorial/Landscaping Svcs.	360	1980	7.10
274	•	Computer Systems Development Corp., Chantilly, VA	J. Luis Hernandez	Software Devel./Systems Integ.	110	1984	7.00
275	296	Cisco Electrical Supply Company, Columbus, OH	Francisco J. Muguza	Electrical Supplies Dist.	8	1978	6.97
276	•	Valley Printers Inc., Riverside, CA	Rene L. Vega	Commercial Printing Svcs.	41	1988	6.95
277	206	Telvideo San Diego, San Diego, CA	David Stepp	Audio/Video Equip. Sales & Svc.	19	1976	6.90
278	253	Arcom Electronics Inc., San Jose, CA	Armando Garcia	Network Hardware/Systems Integ.	22	1985	6.86
279	365	Modern Sanitation Systems Inc., Newark, NJ	Sergio Benvenuto Sr.	Janitorial Svcs.	261	1979	6.80
280	289	Arbor Tree Surgery, Paso Robles, CA	Steven G. Alvarez	Tree Trimming/Removal	175	1960	6.79
281	233	Lugo Construction Inc., Fife, WA	Adrian C. Lugo	General Contracting	50	1978	6.75
282	•	Berrios Construction Co. Inc., San Francisco, CA	Willis Berrios	General Contracting	32	1987	6.70
283	350	Greenbar Corp., Thornton, CO	Gary Solis	Computer Sales/Svc.	78	1984	6.70
284	•	Operational Technologies Corp., San Antonio, TX	Max Navarro	Environ. Engineering & Svcs.	126	1986	6.68
285	•	Brero Construction Inc., Santa Clara, CA	Claudette Weber	Indust./Comm. Bldg Contracting	50	1980	6.59
286	•	Martinez Construction and Devel. Co., Aurora, CO	L. E. Martinez	Gen. Contracting/Concrete Supplies	25	1976	6.55
287	197	Phoenix Marine Enterprises Inc., Hialeah, FL	Francisco J. Piedra	Fiberglass Boat Mfg.	71	1976	6.54
288	388	Q.I.V. Systems Inc., San Antonio, TX	Robert A. Briones	Computer Programming	65	1984	6.50
289	267	Ernie Sandoval Enterprises Inc., Oceanside, CA	Ernie Sandoval	Restaurant Chain	200	1983	6.50
290	283	Everglades Steel Corp., Miami, FL	Orlando A. Gomez	Steel Prod. Dist.	20	1974	6.50
291	351	La Tortilla Factory, Santa Rosa, CA	Carlos Tamayo	Mexican Food Mfg./Dist.	72	1977	6.50
292	291	Main Line Foto Inc., Conshohocken, PA	Carlos Roca	Photographic Prod. Sales	14	1983	6.50
293	•	National Water Purifiers Corp., Hialeah, FL	Judith Garcia Prado	Water Conditioners/Purifiers Mfg.	70	1969	6.50
294	•	Le Mare International Inc., New Hyde Park, NY	Rodrigo Sotomayor	Medical/Surgical/Lab. Equip. Dist.	21	1925	6.46
295	318	Future Packaging Inc., Santa Clara, CA	Rufino A. Vega	Packing/Crating Svcs.	90	1973	6.43
296	387	Production Products Mfg. & Sales Inc., St. Louis, MO	Barry N. Corona	Aerospace Composites/Text. Mfg.	111	1977	6.43
297	•	Rodriguez General Contractors Company, Yuma, AZ	Marco A. Rodriguez	Comm. Const./Renovations	15	1989	6.37
298	286	Matrix Exhibits Inc., Brentwood, TN	Louis F. Tapia	Exhibits/Display Design/Const.	90	1986	6.30
299	302	South Valley Auto Plaza, King City, CA	Vince Lopez	Automotive Sales & Svc.	18	1985	6.30
300	437	Stature Construction Inc., Houston, TX	Luis Casimiro	General Contracting	9	1987	6.25

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HISPANIC BUSINESS

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301	279		Cordoba Corp. , Los Angeles, CA	George L. Pla	Syst. Devel./Urban & Reg. Plng.	78	1982	6.20
302	249		Mercedes Electric Supply , Miami, FL	Mercedes C. La Porta	Electrical Supplies Dist.	17	1979	6.20
303	271		Surface Prep. & Coating Ent. Inc. , Baton Rouge, LA	Luis J. Gonzalez	General Contracting	100	1977	6.14
304	312		Centinel Bank of Taos , Taos, NM	Martin E. Romero	Commercial Banking Svcs.	54	1969	6.11
305	*		Land Joy International Forwarders Inc. , Hialeah, FL	Leopoldo Del Calvo	Int'l Freight Fwdg.	14	1979	6.01
306	258		Pressure Systems Inc. , Hampton, VA	Douglas B. Juanarena	Pressure Measurement Instr. Mfg.	72	1977	6.01
307	241		Southwest Office Systems Inc. , Fort Worth, TX	Victor Puento Sr.	Office Equipment/Supply Sales	85	1984	6.00
308	310		Super Brite Screw Corp. , Hialeah, FL	Felix Infiesta	Bolts/Nuts/Screws Dist.	55	1977	6.00
309	299		TAG Electric Co. , Houston, TX	Thomas A. Gonzales	Electrical Contracting	115	1986	6.00
310	*		Reyco Construction Co. Inc. , Tampa, FL	Jose M. Reyes	Indust./Comm. Const./Renov.	20	1987	5.98
311	295		Original Impressions Inc. , Miami, FL	Roland B. Garcia	Comm. Printing/Graphic Design	87	1982	5.97
312	334		Salas Concessions Inc. , Nashville, TN	Max E. Salas	Food/Novelty Svcs.	213	1980	5.95
313	331		Valdez Office Environments , Phoenix, AZ	Ted Valdez Sr.	Office Systems/Furniture Dist.	35	1988	5.94
314	*		Protech Corp. , Tarrytown, NY	Jose R. Montiel	Office/Computer Supplies & Furn.	45	1980	5.90
315	292		Torres Electrical Supply Company Inc. , Stuart, FL	Oscar L. Torres Sr.	Electrical Supplies Dist.	13	1971	5.90
316	381		Farma International , Miami, FL	George O. Medina	Pharmaceutical/Chem. Exporting	14	1965	5.80
317	259		Hurlen Corp. , Santa Fe Springs, CA	I. Jay Hurtado	Metal Service Center	22	1981	5.80
318	383		Acme Meat Co. Inc. , San Antonio, TX	Andrew E. Garcia Sr.	Mexican Food Mfg.	85	1955	5.77
319	*		Latin Foods International Inc. , Los Angeles, CA	Angel Santos	Latin Food Dist.	27	1985	5.75
320	252		Corella Electric Inc. , Phoenix, AZ	John C. Corella	Electrical Contracting	60	1976	5.70
321	*		Amer. Pac. Conc. Pipe Co. , Rancho Cucamonga, CA	Alvaro Bea	Concrete Pipe Mfg.	45	1965	5.62
322	*		Mr. Winter Inc. , Hialeah, FL	Manny Mijares	Comm. Refrigeration Equip. Mfg.	49	1977	5.60
323	372		Russ Pitney Earthmoving Co. Inc. , Albuquerque, NM	Ernest Blair	Earth Moving Contracting	35	1948	5.60
324	*		Apex Office Products Inc. , Tampa, FL	Rogelio Llorente	Office Supplies/Furniture Dist.	52	1991	5.58
325	*		A.M. Pumping Inc. , Wilmington, CA	Armando Merino	Hazardous Waste Mgmt./Transport.	74	1980	5.50
326	*		Great Southwestern Constr. Inc. , Castle Rock, CO	Robert A. Martinez	Elect. Utility Construction	50	1977	5.50
327	282		San Antonio Press Inc. , San Antonio, TX	Jose H. Medellin	Comm. Web Offset Printing	78	1975	5.50
328	420		Alamo Technology Inc. , San Antonio, TX	Doroteo Chavarria	High Tech. Engineering/Mfg.	65	1983	5.44
329	*		Barri Electric Co. Inc. , San Mateo, CA	Ernie B. Ulibarri	Electrical Contracting	25	1987	5.40
330	476		Court Courier Systems Inc. , Kenilworth, NJ	Juan Camandona	Banking Transport. Svcs.	230	1978	5.40
331	288		Aztec Manufacturing Corp. , Kenilworth, MI	Francis P. Lopez	Automotive Precision Machining	38	1983	5.38
332	426		Heavy Truck Service Inc. , Miami, FL	Rafael R. Perez	Diesel Truck Parts & Svc.	27	1989	5.38
333	324		Losada Truck and Equipment Inc. , Miami, FL	Jorge Losada	Diesel Truck Sales & Svc.	7	1967	5.38
334	339		A&C Stationers Inc. , Miami, FL	Ramon Aguero	Office Supplies & Furniture	42	1971	5.33
335	314		Intercontinental Marble Corp. , Miami, FL	Gerardo Diaz	Granite/Marble Prod. Mfg./Dist.	9	1983	5.32
336	342		La Salle Trucking Co. , Chula Vista, CA	John Randall La Salle	Transportation/Warehousing	35	1933	5.32
337	328		A&R Janitorial Service Inc. , Cicero, IL	Angelo Velasquez	Custodial Cleaning Svcs.	475	1967	5.30
338	340		Los Ranchos Restaurant Inc. , Miami, FL	Julio Somoza	Steakhouse Restaurant Chain	120	1981	5.30
339	317		Valco Construction Co. Inc. , Glendale, AZ	Rafael V. Valenzuela Jr.	General Contracting	8	1974	5.30
340	305		Power Energy Industries , Carson, CA	Ernest R. Schoop	Electrical Equipment Mfg.	44	1980	5.26
341	*		Reconstruction Masters Inc. , San Diego, CA	Richard Zuniga	Reconst./Repairs/Remodel	100	1985	5.25
342	370		Eagle Companies (The) , Miami, FL	Raul Pedraza	Transportation/Warehousing	60	1982	5.21
343	333		Armadillo General Construction , Poteet, TX	Pete Valdez Jr.	General/Concrete Contracting	6	1980	5.20
344	407		Ferco Tech Corp. , Franklin, OH	Guillermo G. Fernandez	Aerospace/Engine Parts Mfg.	92	1984	5.20
345	325		Glasco Industries Inc. , Miami, FL	Jesus M. Martinez	Glass Dist.	41	1977	5.20
346	268		Independent Forge Co. Inc. , Orange, CA	Rosemary L. Ruiz	Aluminum Precision Forging	49	1975	5.20
347	416		Vinyl Technology Inc. , S. El Monte, CA	Carlos A. Mollura	Plastic Films Mfg.	195	1981	5.20
348	396		AVG Inc. , Valencia, CA	Alvaro J. Villa	Animation/Robotics Equip. Mfg.	45	1978	5.18
349	315		Castro-Blanco Piscieneri and Assoc. , New York, NY	David Castro-Blanco	Architect/Space Plng./Int. Design	50	1965	5.16
350	371		HJ Ford Associates Inc. , Arlington, VA	Jorge Alducin	Systems Engineering/Integ.	76	1981	5.15

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HISPANIC BUSINESS

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351		• Ramirez and Marsch Inc., Hammond, IN	Harold C. Ramirez	Piping/Concrete Repair Contracting	25	1987	5.15
352	301	U.S. Guards Co. Inc., Los Angeles, CA	Ernest A. Padilla	Security Guard Svcs.	300	1947	5.15
353		• Cleaning Network/Martec System (The), Ogden, UT	Steven F. Martinez	Janitorial Svcs.	480	1972	5.13
354	201	BEC Construction Corp., Miami, FL	Francisco C. Espinosa	General Contracting	16	1971	5.11
355	401	Barrientos and Associates Inc., Madison, WI	Julian Barrientos	Engr./Architect. Consulting	105	1964	5.10
356		• Leovenar Enterprises Inc., Miami, FL	Rasciel Socarras	Restaurant Food Svc.	14	1972	5.10
357	386	Orion Int'l Technologies Inc., Albuquerque, NM	Miguel Rios Jr.	Aerospace/Scient./Systems R&D	75	1985	5.07
358	231	Travelmasters Inc., Arlington Heights, IL	William Meacham	Corporate Travel Mgmt.	103	1954	5.01
359	356	Cardenas/Fernandez & Assoc., Chicago, IL	Henry Cardenas	Special Events Prod./Mktg.	10	1986	5.00
360	263	Chem-Tech Systems Inc., Los Angeles, CA	Connie M. Carrasco	Hazardous Waste Mgmt./Trmt.	65	1982	5.00
361	348	El Rey Sausage Co. Inc., Vernon, CA	Laura Balverde-Sanchez	Sausage Mfg.	50	1983	5.00
362		• Sandoval Paving Co. Inc., Paramount, CA	Nicolas Sandoval	Asphalt/Paving Contracting	35	1960	5.00
363	345	Ruiz Mexican Foods Inc., Ontario, CA	Edward F. Ruiz Sr.	Mexican Food Mfg.	149	1980	4.99
364		• Bennett International Corp., Miami, FL	Victor M. Arana	Transport/Export. Svcs.	19	1982	4.98
365		• Tarafa Construction Inc., Hialeah Gardens, FL	Roberto M. Tarafa	General Contracting	20	1986	4.95
366	313	Hernandez Electric Inc., Phoenix, AZ	Augustin Hernandez	Electrical Contracting	68	1975	4.91
367		• Alvarez & Assoc. Construction Co. Inc., Victoria, TX	Bob Alvarez	General Contracting	10	1983	4.81
368		• A&B Painting West Inc., Santa Clara, CA	Bert Valdez	Painting Contracting	48	1969	4.80
369		• G&D Aircraft Parts Inc., Pomona, CA	Fred Saldana	Alum. Aircraft Parts Mfg.	60	1966	4.80
370		• Sam's Service Co. ¹¹ , Englewood, CO	Sam J. Chavez	Auto Repair	65	1946	4.80
371	352	Monti Moving & Storage Inc., Brooklyn, NY	Montiano Ascanio	Moving/Storage	45	1961	4.78
372	438	Two Flags Wholesale, Anaheim, CA	Lucio L. Cabrera Sr.	Food Dist.	18	1983	4.72
373	417	Service Electric Co. Inc., Albuquerque, NM	Sam Alderete	Electrical Contracting	60	1970	4.69
374	357	Tejas Office Products Inc., Houston, TX	Lupe Fraga	Office Supplies	25	1962	4.64
375		• Rivero Funeral Home Inc., Miami, FL	Leopoldo E. Rivero	Funeral Svcs.	75	1963	4.62
376	399	Int'l Creative Data Indust. Inc., Bethel, CT	Jack Villodas	Electronic Equip./Systems Mfg.	45	1975	4.60
377	323	Techniserv Data Systems Inc., Teaneck, NJ	Lutfi G. Mansoor	Data Processing Equip.	19	1974	4.60
378		• E.M. Castillo Construction Inc., Seattle, WA	Edward M. Castillo	General Contracting	30	1982	4.59
379		• NPA West Inc., Fairfield, CA	Alan Rees	Computer Sales/Svc.	35	1985	4.58
380	346	Alman Electric Inc., Mesquite, TX	Joe Alcantar	Electrical Contracting	90	1979	4.55
381		• Galindo Financial Corp. ¹² , Bell, CA	Rafael Galindo	Financial/Real Estate Svcs.	108	1971	4.55
382		• Paul J. Sierra Construction Inc., Tampa, FL	Paul J. Sierra	General Contracting	20	1976	4.54
383	390	Balado National Tires Inc., Miami, FL	Manuel Balado	Tire Sales/Svc.	23	1961	4.50
384	368	Beam Radio Inc., Miami, FL	Manuel A. Alvarez Sr.	Two-Way Radio Sales	15	1976	4.50
385		• Miller & Assoc. Inc. - Gen. Contractors, Marana, AZ	Annamie Miller	General Contracting	50	1979	4.46
386	374	W.G. Valenzuela Drywall Inc., Tucson, AZ	William G. Valenzuela	Drywall/Metal Framing/Paint	109	1979	4.42
387		• Lion Plastics Inc., Clifton, NJ	Diego De Leon	Plastic-Thermoformed Pkg. Mfg.	30	1982	4.40
388	431	Peppers Unlimited Inc., City of Industry, CA	Gilbert M. Medina	Mexican Food Mfg.	9	1985	4.40
389		• Portland Mailing Services Inc., Portland, OR	David P. Torres Jr.	Direct Mail Svcs.	100	1940	4.34
390	338	Del Toro Landscaping Inc., Dundee, IL	Raul Del Toro	Landscaping	80	1988	4.33
391	436	O'Neill Specialty Co., McAllen, TX	Ruben C. Garza Sr.	Candy/School Supplies Dist.	21	1935	4.33
392	480	Tranex Inc., Colorado Springs, CO	Troy Valdez	Custom Transformers/Inductors	95	1960	4.28
393	468	Uniglobe Advance Travel, Denver, CO	Ramona Martinez	Travel Svcs.	12	1986	4.28
394	254	Martin Metal Finishing Inc., Lynwood, CA	Pete Martin	Architectural Finishing	78	1965	4.24
395		• A&B Painting Inc., San Francisco, CA	Bert Valdez	Painting & Wall Covering	40	1980	4.20
396	378	Jose Garcia Construction Inc., Denver, CO	Jose Garcia	General Contracting	38	1978	4.20
397	404	Pronto Post Inc., Hialeah, FL	J. Michael Vazquez	Direct Mail Svcs.	51	1981	4.20
398		• Tru & Associates Inc., Huntington Beach, CA	Rodolfo A. Trujillo	Petrol/Lubricant/Coal Prod. Dist.	5	1983	4.20
399	422	G.P. Transport Inc., Gregory, TX	Ernest V. Solis	Sand/Gravel Hauling	55	1956	4.19
400	465	MGE Architects, Coral Gables, FL	Pedro A. Goicouria	Architect/Interior Design	35	1982	4.16

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401	•	Proteus Corp. (The), Albuquerque, NM	Roy Martinez	Govt. Computer Svcs./Engr.	75	1981	4.12
402	397	Certified Fasteners Inc., Santa Fe Springs, CA	Joel & Louis Frias	Hardware/Aerospace Nut/Bolt Dist.	12	1969	4.10
403	406	El Paso Fairview Foods Inc., El Paso, TX	Adalberto M. Garcia	Eggs/Beans Dist.	12	1950	4.10
404	385	Morrison's Inc., Fabens, TX	Sonny Chavez	Farm Equipment Sales	21	1971	4.10
405	358	North Shore & Central Ill. Freight Co., Forest View, IL	David P. Hernandez	Trucking Svcs.	38	1930	4.10
406	394	Supreme Gear Co., Roseville, MI	Charles F. Diez	Precision Gears Mfg.	50	1980	4.10
407	415	Omni Metal Finishing Inc., Fountain Valley, CA	Victor M. Salazar	Comm./Military Metal Finishing	101	1980	4.09
408	•	Dial Employment Agency Inc. ¹⁹ , Whittier, CA	Douglas M. Lopez	Personnel Svcs.	15	1957	4.00
409	343	Landavazo Bros. Inc., Hayward, CA	George Landavazo	Concrete Contracting	65	1988	4.00
410	•	Paso del Norte Avionics Inc., El Paso, TX	Noemi Lopez	Commuter Airline Svc.	20	1978	4.00
411	355	Textile Machines Imp./Exp. Co. Inc., Roebuck, SC	Victor LeBron	Textile Machine Mfg.	25	1978	4.00
412	•	Ysrael A. Seinuk, P.C., New York, NY	Ysrael A. Seinuk	Civil/Structural Engineering Svcs.	90	1977	4.00
413	410	Continental Binder & Specialty Corp., Gardena, CA	Andrew H. Lisardi	Custom Vinyl Prod. Mfg.	70	1978	4.00
414	405	Public Inc., Buena Park, CA	Anna E. Aguiar	Trucking/Warehousing/Demolition	20	1981	3.99
415	•	Costa Travel, San Diego, CA	Frank Costa	Travel Svcs.	15	1983	3.98
416	487	Centennial Bolt Inc., Denver, CO	Mark A. Cordova	Fastening Products	25	1979	3.96
417	•	Superior Services Inc., Fresno, CA	Sheila Guarderas	Janitorial & Food Svcs.	275	1985	3.94
418	•	IAC Advertising Group Inc., Miami, FL	Ana Maria Fernandez Hear	Advertising Agency	21	1978	3.93
419	425	Orso Superior Enterprises Corp., Key Biscayne, FL	James A. Ortiz	Comm. Refrig. & A/C Int'l Dist.	5	1979	3.93
420	454	Summit Construction Inc., West Monroe, LA	Manuel Canales	General Contracting	50	1975	3.92
421	•	Albuquerque Printing Co., Albuquerque, NM	Tony Fernandez	Comm. Web Offset Printing	35	1968	3.90
422	•	Luna Defense Systems Inc., Baldwin Park, CA	Albert Luna	Aerospace & Spacecraft Mfg.	27	1974	3.81
423	•	Horizon, A U.S. Communications Co., Coral Gables, FL	Fred Estrada	Magazine Publishing	25	1985	3.80
424	470	M&M Automated Services Corp., Amherst, NH	Marlene Monnar	Computer/Photo. Supplies Dist.	9	1982	3.80
425	337	Ralph E. Hernandez Trucking Inc., Chino Hills, CA	Virginia M. Hernandez	Dump Truck Broker/Equip. Rental	8	1955	3.80
426	•	Windline/Amanet, Los Angeles, CA	Robert G. Barbour	Aerospace/Marine Component Mfg.	35	1980	3.80
427	491	Atlantic Resources Corp., Reston, VA	Cristobal S. Berry-Caban	Educational/Literacy Surveys	65	1981	3.77
428	•	SITE Personnel Services Inc., Menomonee Falls, WI	David Aragon	Technical Personnel Svcs.	102	1988	3.75
429	393	Amigos Canning Co., San Antonio, TX	Ralph E. Velasco Jr.	Mexican Food Mfg.	45	1925	3.74
430	427	El Indio Shops Inc., San Diego, CA	Eva Sanchez	Mexican Restaurant Chain	91	1940	3.71
431	•	Cal-Wire Stranding Co., Vernon, CA	Adolph F. Cruz	Galvanized Guy Strands Mfg.	25	1972	3.70
432	•	Golden Gate Air Freight, Hayward, CA	John R. Cardenas	Air/Ocean Cargo Transport	20	1981	3.70
433	414	ITC Personnel Services, Houston, TX	Diva Garza	Personnel Svcs./Minority Recruit.	7	1985	3.70
434	284	Lee Builders Inc., Hagerstown, MD	Patrick R. Grunberg	General Contracting	15	1977	3.70
435	428	Nat'l Commun. Sales Promotion Inc., Miami, FL	Robert J. Rodriguez	Sales Promotion Svcs.	25	1982	3.70
436	•	AJT & Associates Inc., Cape Canaveral, FL	Alfredo J. Teran	Aerospace/Environ. Engr. Svcs.	118	1988	3.68
437	•	American Steam Inc., Wylie, TX	Carlos Diaz	Boiler/Burner Sales & Svc.	35	1981	3.68
438	450	T.A.V.A. Investment Consultants Inc., La Jolla, CA	Heidi Herrera Hahn	Investment Consulting	6	1989	3.68
439	432	Western Radio Electronics Inc., San Diego, CA	Ruben Rosental	Electronic Part/Component Dist.	23	1932	3.68
440	392	J.R. Inc., Converse, TX	Jesse Rodriguez	Educational & Office Furn. Dist.	8	1978	3.65
441	411	Mirta de Perales Inc., Miami, FL	Mirta Raya Perales	Hair Care & Beauty Products	33	1963	3.64
442	•	InterAmerica Research Assoc. Inc., McLean, VA	Juan J. Gutierrez	Systems Int./Information Mgmt.	50	1971	3.63
443	•	Geo-Marine Inc., Plano, TX	Ruben A. Garza	Environ./Engineering Svcs.	57	1971	3.62
444	470	Protec Inc., Miami, FL	Alfredo Sotolongo	A/C Equip./Supplies	19	1971	3.61
445	389	Alto Systems Inc., La Mirada, CA	Alfred R. Garcia	Transportation/Warehousing	50	1983	3.60
446	457	Castillo Company Inc., Phoenix, AZ	Eduardo A. Castillo	Corporate Real Estate Consulting	30	1977	3.60
447	379	Deupi & Assoc. Inc., Washington, DC	Carlos Deupi	Architecture/Interior Design	45	1968	3.60
448	413	G & L Holdings, Elk Grove, IL	Joseph W. Gayton	Indust. Nameplate/Decal Mfg.	49	1981	3.60
449	494	Ketchikan Air Service Inc., Ketchikan, AK	Michael B. Salazar	Airline/Transport Svcs.	5	1966	3.60
450	498	National Export Crating Co. of Texas Inc., Houston, TX	Samuel N. Marroquin	Packing/Crating Svcs.	47	1979	3.60

* Not on 1991 list. ¹⁹ In millions of dollars as of December 31, 1991. Rank figures appear as reported to Hispanic Business by authorized company representatives. Many companies submitted financial statements. Hispanic Business Inc. Reporting or copying all or part of this information requires written permission. DBA Data Personnel Associates.



HISPANIC BUSINESS

Rank 1992	Rank 1991	Company and Location	Chief Executive	Type of Business	Number of Employees	Year Started	1991 Sales*
451	400	Tampa Brass & Aluminum Corp., Tampa, FL	Sam S. Leto Jr.	Brass/Alum. Prod. Mfg.	70	1957	3.60
452	493	Fernandez & Associates, P.C., Denver, CO	Tomas I. Fernandez	Acctg. Svcs./Mgmt. Consulting	104	1976	3.58
453	•	C-Q Construction Corp., Watertown, MA	Lorenzo Quinones	General Contracting	25	1976	3.54
454	•	Certified Abatement Systems Inc., Houston, TX	W.F. Wallace Jr.	Asbestos & Lead Abatement	25	1987	3.51
455	•	Advanced Business Systems, Chicago, IL	Norman Toscano	Computer Systems/Office Equip.	18	1975	3.50
456	•	Belco Resources Inc., Eastchester, NY	John J. Cuadrado	Chemicals Imp./Exp.	6	1974	3.50
457	•	Camino Construction Inc., Dallas, TX	Roy Ayala	General Contracting	50	1983	3.50
458	•	Diesel Radiator Co., Melrose Park, IL	Humberto Suarez	Industrial Radiator Mfg.	23	1970	3.50
459	398	E.A. Mendoza Contracting Inc., Cerritos, CA	Ernest A. Mendoza	Paving/Road Grading Contracting	15	1979	3.50
460	456	United Seal & Rubber Co. Inc., Atlanta, GA	Virgil Alonso	Rubber/Seal Product Mfg.	17	1974	3.50
461	225	All City Electric Supply, Artesia, CA	Irma Maria Z. de Johnson	Electrical Supplies Dist.	8	1977	3.46
462	•	Numet Machining Techniques, Stratford, CT	Antonio Neto	Aerospace Parts Mfg.	20	1983	3.46
463	402	Arango Construction Co., Bothell, WA	J.A. Arango	General Contracting	10	1973	3.44
464	264	J.G. Torres Concrete Constr. Co., Mountain View, CA	Jess G. Torres	Concrete Construction	30	1955	3.42
465	421	Pan American Frozen Foods Inc., Miami, FL	Lazaro R. Munarriz	Frozen Food Dist.	9	1972	3.40
466	•	Three-L Electrical Supply Inc., Laredo, TX	Adolfo E. Gutierrez	Electrical Supplies Dist.	13	1977	3.40
467	•	Welco Electronics Inc., Burbank, CA	Ed Risco	Electronic/Elect.-Mech. Prod. Dist.	14	1971	3.38
468	341	Del Rey Chemical Inc., South Houston, TX	George S. Hernandez	Chemicals Dist.	12	1978	3.37
469	•	Citadel Homes Limited, McLean, VA	J. Lester Doerstler	Modular Housing Const.	5	1977	3.36
470	442	Orange County Nameplate Co., Santa Fe Springs, CA	Elias Rodriguez	Nameplates/Dials Mfg.	87	1965	3.36
471	•	Thomas A. Mason Co. Inc., Milwaukee, WI	Thomas A. Mason	Painting/Flooring Contracting	30	1912	3.35
472	•	Division Laundry & Cleaners Inc., San Antonio, TX	Cecilia R. Garcia	Comm./Mil. Laundry/Cleaning Svcs.	135	1939	3.34
473	•	Etincelle Inc., Miami, FL	Hugo Marcelo	Textile Mfg.	5	1982	3.32
474	466	Cardic Inc., El Paso, TX	Rita Salazar Divis	Travel Svcs.	12	1977	3.30
475	•	Ebco Inc., Chicago, IL	Everett Bernardo	Rubber/Plastic Broker/Dist.	9	1963	3.30
476	447	Telexport Inc., Hialeah, FL	Danilo Alonso	Electronics Imp./Mfg./Dist.	20	1964	3.30
477	•	C.P.F. Corp., Washington, DC	Jose Sampedro	Janitorial/Painting Svcs.	300	1984	3.28
478	•	Jess Diaz Trucking Inc., Santa Fe Springs, CA	Dimas Diaz	Trucking Svcs.	49	1976	3.26
479	359	A/S/K Assoc. Inc., Lawrence, KS	Kenneth Martinez	ADP Design/Develop./Support	207	1979	3.25
480	477	HomeCare Medical Assoc. Inc., Fort Lauderdale, FL	Jay J. Gutierrez	Medical Equip. Dist.	29	1980	3.25
481	•	Sunstrand Electric Co. Inc., Elgin, IL	Eugene William Aguirre	Telephone/Fiber Optic Design/Inst.	34	1975	3.25
482	•	Data Extras, Yorba Linda, CA	Cynthia S. Mairena	Office Supplies	24	1984	3.23
483	423	Siboney Advertising, New York, NY	Jose M. Cubas	Advertising Agency	47	1981	3.23
484	475	Black Oxide Industries Inc., Anaheim, CA	Pete Mata	Metal Finishing	38	1974	3.21
485	•	E.E. Electric Inc., Fontana, CA	Henry Escajeda	Powerline/Elect. Contracting	25	1977	3.21
486	•	CPC Electrical Supply Company, Chicago, IL	Carmen P. Caldero	Lighting/Electrical Supplies Dist.	7	1986	3.20
487	•	Western Auto Leasing, Elk Grove, CA	Richard I. Esquivel	Automotive Export	2	1990	3.20
488	473	Bayou State Security Services Inc., New Orleans, LA	James B. Perez	Security Guard Svcs.	200	1975	3.18
489	•	A. Ruiz Constr. Co. & Assoc. Inc., San Francisco, CA	Antonio Ruiz	General Contracting/Engineering	27	1982	3.17
490	•	Del Campo & Maru Architects Inc., San Francisco, CA	German Cediel	Architect/Engineering Svcs.	35	1957	3.17
491	•	Trandes Corp., Lanham, MD	James A. Brusse	Transport. Engr./Logistics/Mgmt.	153	1980	3.14
492	412	Editorial Cernuda Inc., Miami, FL	Ramon Cernuda	English Courses/Publishing	21	1977	3.13
493	•	Alpha Investment Casting Corp., Tulsa, OK	Jorge J. Prats	Investment Casting Mfg.	41	1985	3.10
494	•	Reliable Graphics Inc., Van Nuys, CA	Cesar A. Giraldo	Architect. Blue Print Svcs.	52	1976	3.08
495	•	SkyNet Worldwide Courier Network, Miami, FL	Albert P. Hernandez	Int'l Courier Svcs.	48	1988	3.08
496	•	MCM Corp., Miami, FL	Jorge Munilla	General Contracting/Engineering	30	1983	3.05
497	445	Dade Steel Sales Corp. Inc., Miami, FL	Luis M. Garcia	Steel Dist./Export	11	1979	3.03
498	•	La Agencia de Orci & Asociados, Los Angeles, CA	Hector Orci	Advertising Agency	40	1986	3.01
499	•	C.O.D. Freight Systems, Inglewood, CA	John A. Camacho	Electronics/Computer Equip. Transp.	14	1986	3.00
500	•	Holguin Fahan & Associates Inc., Ventura, CA	Andrew R. Holguin	Hazardous Waste Mgmt.	28	1982	3.00

* Not on 1991 list. † In millions of dollars, as of December 31, 1991. Sales figures appear as reported to Hanks. B. compiled by authorized company representatives. Many companies submitted financial statements. Hispanic Business Inc. Reprinting or copying all or part of this information requires written permission. ‡ DBA Aladdin World Travel.



11

Capital Bancorp**Abel Holtz, CEO
Miami, Florida***By George Volsky*

For the past two years, the ability to both survive the recession and fend off forays by large out-of-state financial institutions has been a serious challenge to small and medium size Florida banks.

The Capital Bank of Miami, with assets of \$1.17 billion, 1991 revenues of almost \$127 million, and 27 branches in South Florida, has so far succeeded in weathering that double-barreled threat and has entered a stage of slow, steady growth, its leaders assert.

Capital's Cuban born Chair and CEO Abel Holtz and his son Daniel—its president and COO since last October—say the bank's long range stress on customer service and controlled expansion has been exactly correct for the present economics in Florida.

As one of the nation's most rapidly growing states, Florida has been buffeted since 1990 by a near-collapse of its once booming real estate sector and a decline in tourism and other industries. This slump has seriously weakened the fabric of the state's economy, producing a sharp rise in unemployment and causing the demise of not just S&Ls but many banks too—among them South Florida's largest, the Southeast Bank of Miami.

But Mr. Holtz is bullish on Florida and the future of his bank. He says that most of Capital's bad real estate loans have already been written off, and the bank has begun to grow, chiefly by acquiring new offices and small, viable banks. There has been a moratorium on advertising to solicit new deposits for the past 10 months.

"We have slowed growth on purpose because it is no longer a key measure of success in the banking sector," Mr. Holtz explains. "This gave us time to trim our structure and discipline our operations.

Our 1991 profits are smaller than those of 1990, but the numbers for the first quarter of '92 indicate that our conservative approach has paid off: in 1992 we will definitely do better than last year."

According to this CEO, who has been in banking since coming to this country from Havana in 1961, 1992 profits will exceed even those of 1986, the 18-year-old bank's best year, when it netted \$8.6 million. Employment is ramping up—to 715 in 1991 from 650 the previous year, providing revenues per employee of almost \$168,000. And there are longer term plans to reach substantially into international markets.

Capital is a wholly-owned subsidiary of Capital Bancorp, which with the senior Mr. Holtz holding 51 percent of stock and his son holding 3 percent, is one of the largest Hispanic owned businesses in the country (number 11 on the **HISPANIC BUSINESS 500**). And Mr. Holtz believes that the institution's equity base—more than \$100 million—is the largest of any Hispanic company. Also part of Capital Bancorp are Capital Factors Inc., active in the important New York City factoring market, and Banco Capital of San Jose, Costa Rica, opened in April 1991. Capital's affiliated banks, Los Angeles-based Capital Bank of California and Capital Bank, N.A. of Washington D.C., are owned individually by Mr. Holtz.

In contrast with several other Hispanic owned banks in South Florida, Capital's client base since its inception has not been predominantly Hispanic. Many of its branches are in areas with negligible Hispanic population, and it is the only Hispanic owned bank with an office in Miami's

Capital Bank CEO Abel Holtz and his son Daniel Holtz (president and COO) plan unprecedented profits for 1992.

African American district.

"Because Abel believes in minority entrepreneurship, Capital Bank has been a starting point for many promising minority and women businesses in a range of up to \$1 million," says Maria Elena Torano, president and CEO of META, a Miami-based national computer/environmental management services firm, and former client of Capital. "Abel supported me and took risks with my company," she testifies. META is number 187 on the **HISPANIC BUSINESS 500**, with 1991 revenues of \$10.5 million, up from number 330 in 1990.

Some competitors in fact have criticized Mr. Holtz for taking too many risks with these kinds of loans.

Has he? "He is a warm human being who likes to help people and the community," observes Carlos Dascal, chair of Continental National Bank, a four-branch Hispanic owned institution much smaller than Capital. "But at the same time, in my book he is a very knowledgeable banker." Importantly, "he's a businessman as well as a banker," insists another observer. "Yes, he may have made some risky loans. However, because Abel knows many of his clients personally, those investments have paid off handsomely." He shrugs. "That's the name of the game." (A)



#53

**J.T.
Slocomb
Co.****E. John Gregory, President
South Glastonbury, Connecticut***By Yvonne Conde*

As new entrepreneurs know, access to venture capital is difficult. It was no different for John Gregory. He pawned his wife's ring for \$50. Now, as president and chairman of the board of J.T. Slocomb Company, he oversees a multimillion-dollar, 430-employee operation (number 53 on the **HISPANIC BUSINESS 500** with sales of \$39.45 million). It assembles, fabricates, overhauls, and repairs aircraft engine components.

The space shuttle soars with J.T. Slocomb parts in its engine. Our first space station probably will too.

"The first time I ever heard of J.T. Slocomb," says the 72-year-old executive, "was when I got one of their micrometers in my tool box when I went to work for Pratt & Whitney." It was in 1946 that he used the ring money to buy an atlas lathe and began producing experimental aircraft parts in his house.

The business he built up burned completely in 1949 leaving him \$30,000 in debt, struggling to rent after-hours work space from different companies, and finally in bankruptcy.

By 1953, Mr. Gregory had paid back his creditors, and with three partners bought the shell of the old J.T. Slocomb Company, founded in 1891. Keeping the older company's name and product, they too manufactured experimental machine parts for Pratt & Whitney. Since the company came with a Bureau of Ships Weapons Number, it could do business with the government immediately.

"We learned how to drill tough material when other people couldn't," says Mr. Gregory, remembering early challenges. "We made the first thrust reverses for Pratt & Whitney. We learned how to braise, to weld, we changed and built machines."

Today, the company has seven groups

in several locations. The Waterbury, Connecticut plant repairs components from all engine sections. The South Glastonbury, Connecticut Engine Overhaul and Repair Group specializes in vane replacements in compressor stators and shrouds. Both groups are Federal Aviation Administration certified.

The South Glastonbury plant, their largest with 345 employees, also houses the Electrochemical Deburring Machinery Group and the Aerospace Manufacturing Group, building turbine engine components. Micrometers are also manufactured here. In 1988, Slocomb bought Englehart's Form Roll Division, creating a Specialty Materials and Components Group at Cumberland, Rhode Island.

Then in 1990 they crossed the Mason-Dixon line, acquiring the assets of A.M.T. Florida. The Wildwood, Florida, facility is now their Forged Ring Center, "a necessary part of our business because we buy those rings either from our Florida plant or from others," says Mr. Gregory.

At the Florida plant, no secretary intercepts Mr. Gregory's calls.

Answering himself, he explains, "I am always accessible, not only to my employees, but to anyone from the outside that wants to talk to me." If they can find him. "He's everywhere," his employees claim. Keep morale high—that's the Gregory success formula. "Nobody goes anywhere alone," the boss reflects. "You have to have the will of the people who are working behind you."

A suggestion box, employee of the month awards, a newsletter, and education during paid working hours are all part

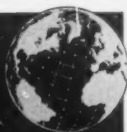
of the strategy. Maybe because Pratt & Whitney sent him to college, he now gives educational opportunities to others. The familial hands-on top management includes three children, all vice presidents, and two grandsons. Previous partners were bought off years ago.

A sagging airline industry, with hundreds of planes parked in the Mojave desert, has not decreased J.T. Slocomb's sales, up \$2.83 million from 1990 and producing \$92,000 in annual sales per employee. Profits went down, Mr. Gregory admits, partially due to the purchase of the Florida plant. "But I think '92 should be a good year profitability-wise." And Mr. Gregory has been "sending people to Taiwan, Spain, Singapore, and Malaysia, looking at the possibility of doing work overseas."

In everything, they have the benefit of a reputation. J.T. Slocomb won the National Minority Development Council's (NMDC) Supplier of the Year Award. According to NMDC President Harriet R. Michel, it is "given to minority suppliers who distinguish themselves and their businesses by successfully demonstrating growth in sales and employment while overcoming significant obstacles."

It also recognizes high quality products and services at competitive prices—J.T. Slocomb's usual goal. 

*Photo by Steve Davis*



#72

1-Day Paint & Body Centers Inc.

Javier R. Uribe, CEO
Torrance, California

By Kathleen Sharp

It's every entrepreneur's nightmare. The company you started with a dream has rocketed beyond your projections and is now careering horribly off-course. That's how Javier R. Uribe Sr. felt about his company, 1-Day Paint & Body Centers, based in Torrance, California.

"By 1990, I had lost control over the company," says the founder, chairman, and CEO. By then, a recession had arrived to threaten the existence of the fragile, family-operated company.

The 1-Day Paint & Body Center, founded in 1967, specializes in painting automobiles. By 1986, the company had 25 locations, primarily in the Southern California region, and profits of \$2.8 million. That year, Mr. Uribe disengaged himself from the company for a period. "I lost my ability to concentrate and I thought I was losing my mind," he recalls. Instead, he learned he was a manic depressive with a chemical imbalance that sapped his will.

Unfortunately, Mr. Uribe had not designated a successor to oversee his operations, which suffered. "I had two highly compensated staff members who, I later discovered, had been arbitrarily sticking expenses from operations into corporate overhead, so that operations looked good," he recalls. This accounting trick belied the poor financial condition of the company.

By the time Mr. Uribe discovered this, annual before-tax profits had dropped nearly 50 percent for 1989. Worse, he couldn't immediately spot the financial problems because they had been buried.

On top of that, his five regional managers were operating their geographical districts like personal fiefdoms. Exacerbating everything were tensions between family members and officers. Javier Ricardo "Rick" Uribe II, marketing vice president,

and his brother-in-law, Brian M. McGilvray, vice president of human resources, found it difficult to work together.

To salvage itself, the company set up family counsel meetings led by a management consultant who was also a licensed psychologist. "It gave us all an opportunity to air differences," says Mr. McGilvray. And a chance to reaffirm their commitment to the company.

With the recession in full force, Mr. Uribe questioned every facet of operations. He cleaned up the balance sheet, ensuring that \$500,000 of expenses were accounted for correctly. This gave him a clearer picture and helped him slash operating expenses. Advertising was cut by 8 percent; professional fees and outside services were slashed by 30 percent; and managers' commissions and bonuses fell 10 percent.

The company saved 15 percent when it asked newer employees to contribute more money to a company-sponsored health plan. As a result of attrition, the employee roster shrank from 650 to 450.

Still, after the cost cutting measures, the company in the first two months of 1991 recorded a year-to-date loss of \$450,000. "That was unprecedented," says Tom Aguirre, vice president of finance and Mr. Uribe's son-in-law.

So after a year of considering solutions, the company restructured. Five regional managers were reassigned to strategic duties that matched their personal strengths. Every top manager, including Mr. Uribe, took a 15-percent pay cut.

To increase efficiency, the top managers roved throughout the 33-shop system, operating individual centers when middle

managers were on vacation. "This acts as a check and balance system to make sure that every shop runs well," says Mr. Uribe. The company also applied the tenets of quality expert Dr. W. Edwards Deming, to improve quality, and therefore profits.

Today, the company is close to 100 percent efficient. Managers are productive, and customers are happy. "I've been doing business with them for 10 years, and they are the best in service and quality," says Yehuda Riess, used car manager of West Valley Toyota in Canoga Park.

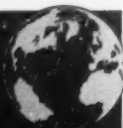
The economic squeeze is still on but it doesn't pinch the firm. Despite a 12 percent drop in revenues to \$29 million in 1991 (placing it at 72 on the **HISPANIC BUSINESS 500**), pretax profits jumped 18 percent to \$1.4 million. "I feel we are back in control and it's a fantastic feeling," Mr. Uribe sighs. The firm is relatively debt free and has about \$2.5 million in cash.

The family wants to diversify beyond its auto painting business and real estate operations (80 percent of the shop properties are owned by the company or family) and is looking for opportunities. In Los Angeles County, site of 12 centers, pollutants such as paint are being restricted, forcing 1-Day to grow in areas like Nevada, where two centers are already located.

Within the next three to five years, Mr. Uribe intends to have \$50 million in sales and \$6 million in profits from 45 stores. He's back on track. **(T)**



Photo by Dolores Aguirre



#86

**MVM
Inc.****Dario O. Marquez Jr., President**
Falls Church, Virginia*By Ricardo Chavira*

It took the spy riddled U.S. embassy in Moscow to give this struggling Hispanic owned security firm a badly needed financial boost. Now with the cold war over, MVM Inc. is hard at work making sure that its success won't be a peacetime casualty. Dario Marquez Jr., president of the Falls Church, Virginia-based firm, is confident that it won't. "We grew last year," he says, "and we will grow again this year."

Such confidence, even in a recession, is understandable. MVM has since 1987 catapulted from 15 employees and annual sales of \$500,000 to nearly 800 employees and a whopping \$25 million for 1991, ranking it number 86 as a newcomer on the **HISPANIC BUSINESS 500**. Profitability has improved too, "nearly doubling since last year," Mr. Marquez reveals.

That explosive growth is the product of good fortune and, even more important, sound strategic planning. Mr. Marquez, a former U.S. Secret Service agent who founded the firm with two other ex-agents in 1979, recalls that the business was fairly stagnant in its first years of existence. "We pretty much waited for business to come along," he says. "It was clear that we were good technicians, but not very good businesspeople. We needed to attack some new markets."

One new market was painfully obvious: the federal government. Mr. Marquez had surveyed the federal bureaucracy and concluded that the U.S. State Department represented an excellent potential market. In 1985, former Deputy CIA Director Bobby Inman had issued a report requesting that half of the country's 262 embassies be rebuilt or renovated to make them less vulnerable to terrorist attacks or spying.

Plainly, there was an unmet need for the kind of high-tech security MVM offered.

But the government ignored MVM's charms until 1987, when Reagan Administration officials discovered that the new U.S. embassy in Moscow was so riddled with Soviet-placed listening devices that it might have to be torn down. The scandal caught the State Department flat-footed, sending officials scrambling to find a company that could guard the site and guarantee no further breaches in security. MVM won the contract, and soon had specially screened and trained guards on the scene.

A flood of State Department business followed. On the strength of its Moscow performance, MVM was awarded contracts to provide security at 40 embassies being rebuilt or retrofitted. In addition, the company obtained State Department contracts to place guards at embassies and consulates where Marines are not assigned, and to accompany high-security goods shipped to U.S. missions abroad. MVM's current contracts cover a wide range of government agencies, including the National Institutes of Health, the Interstate Commerce Commission, the Bureau of the Mint, and the Department of the Navy.

But, says Mr. Marquez, the company's continued robust growth will require more contracts in the private sector. His determination to maintain high quality, combined with the recession, have made it difficult so far for the firm to expand its commercial dealings. The recession, Mr. Marquez notes, has led many firms to cut their security costs or, when shopping for a security service, to take the low bid. "Some companies want a warm body at the front gate," he says. "We don't do that kind of business."



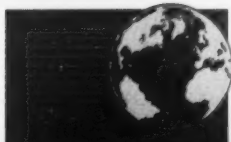
Photo by Jeff Watts

Indeed, MVM is not a rent-a-cop company. Ranked as the 31st largest security firm in the U.S., the firm is organized to do everything from safeguarding American CEOs abroad to ensuring that no one eavesdrops on U.S. diplomats.

"MVM's people are truly first class. My experiences with them have always been positive," says Bruce Kusrow, chief control officer at the State Department's Office of Diplomatic Security. "They're the consummate professionals," says Joe Johnson, art director at *Time*, which turns to MVM for overseas security. So complete is the security MVM provides, says Mr. Johnson, that once during a *Time*-sponsored trip to Bangkok, scuba divers were dispatched in advance of a boat tour.

That kind of professionalism requires MVM to pay wages of 40 to 50 percent or more above the industry average. But Mr. Marquez is convinced that his niche marketing of MVM as a high-quality security firm will build a select and stable clientele.

Cold War or not, MVM promises to continue being a player in the competitive security field. "There's great instability now" in the former Soviet Union, Mr. Marquez observes, and the State Department is busy establishing embassies in the newly independent republics. Moreover, he says, the Russians, desperate to revive their economy, are certain to step up industrial espionage. For MVM, that's a sweet sentiment. (T)



#132

Injectronics Inc.

Carlos M. Barañano, CEO
Clinton, Massachusetts



By Maura J. Mackowski

Quality, service, and frugality are trying for a comeback in the auto industry. Inefficiency is being tossed out in the weeds with the tail fins to make room for just-in-time inventory and team-oriented problem solving.

For companies like Injectronics Inc., which supplied over \$5 million worth of interior trim to the Ford Motor Company in 1991, that's promising news. If they can master the auto makers' productivity techniques, Injectronics can not only outfit more Aerostar Minivans, but jack up sales of syringes, computer parts, and communications equipment. Such a deal!

CEO Carlos Barañano is an advocate of linking small and large businesses for the betterment of both. The Cuban-born chemical engineer came to the Massachusetts firm in 1972 from du Pont, where Ford was one of his key accounts. "I'm a great believer in small companies," he says. "I think you can use and apply the science of management to their operations just like you can with a company such as General Motors—but with one advantage: small companies can react more quickly."

This belief led Mr. Barañano to buy into Ford's program for grooming its suppliers, spending the months and the money needed to bring the firm's practices in line with Ford's way of working. One result has been a substantial jump in revenues from \$9 million in 1987 to more than \$15 million in 1991, placing the company at number 132 on the **HISPANIC BUSINESS 500**, and boosting profitability from 8.2 percent in 1990 to 9.1 percent in '91. Meanwhile the payroll has shrunk slightly, providing revenues of \$114,000 for each of the company's 135 workers.

Injectronics also won the Q-1 Award last year, a prize awarded only to top vendors whom Ford commits to keeping on its

supplier list. That list, according to Ford spokesperson Carolyn Burke, now contains more than 350 names of certified minority vendors like Injectronics. Sales to minority suppliers have been growing steadily since the mid-1980s, she says, climbing to \$712 million in 1991, and targeted upward.

"We were selected as one of only 12 interior trim suppliers," Mr. Barañano says. "Ford said they were 'optimizing their supply base,' and went from more than 50 to just the 12. We were up against United Technologies, Gulf + Western, and other big names."

Ford inspects and rates its suppliers every year for service, cost, and delivery, says Paul Gorcyca, interior trim buyer at the auto maker's Dearborn office. "We chose Injectronics as one of our preferred minority suppliers because they have the management strengths and quality programs in place," he says. "They have the best potential to grow with us."

Carlos Barañano can tick off the advantages that teaming with Ford has brought: bar coding, an electronic data link, financing for major expenditures, advice on mergers and acquisitions, and training in quality control and human resources. Rather than counting his money though, he's using those upgrades to improve performance in all areas of his business.

Besides Ford, Injectronics molds parts for IBM, medical supply maker Bunker Labs, the Chrysler Corporation, and others. "The common denominator is plastic," Mr. Barañano says. "We plan to make more and more electrical components, and items that add value to basic plastic, such as trip computers."

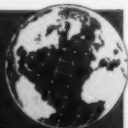
Diversification outside of the auto industry can also help keep Injectronics from

feeling the jolt every time car sales hit a pothole. "We had the opportunity to absorb another plastics molder," Mr. Barañano says. "Ford was urging it, and we would have doubled our sales, but the debt was more than we wanted to take on."

Injectronics' banker likes that kind of strategy in this economy. "They're not too quick to jump on a new piece of business these days unless they're sure it's going to bring good returns," says Michael Pandolfi, vice president of Fleet Street Bank in Springfield, Massachusetts. "Injectronics also has the systems in place to react to the market quickly, and make changes as necessary."

Quick reactions can buy time for strategizing ways to keep things running during a downturn. Sometimes, that's a matter of saving nickels, like canceling a plant's lawn service. Sometimes, though, it means spending some dollars to keep people on the payroll until business shifts into high gear.

"Because we deal with telecommunications, aerospace, auto, biomedical, and consumer goods, in a certain way we're a leading indicator of the economy," Mr. Barañano says. "I think things will stay down, then come back very slowly. Meanwhile, our strategy is to concentrate on the top American companies; they keep us at the edge of technology." □



#164

Advanced Data Concepts Inc.

Frank E. Rivera Sr., CEO
Portland, Oregon



Photo by C. Bruce Forster

By Maura J. Mackowski

So far, we're insulated from the recession," says Frank Rivera Sr., "but companies that are heavily dependent on defense are getting very hungry now. They will become dangerous competitors."

Mr. Rivera is the CEO of Portland-based Advanced Data Concepts (ADC), a provider of computer-related technical and management services. His son, Jim Rivera, is president. So far, ADC has continued to win contracts and avoid layoffs, Mr. Rivera says, and ultimately should ride out the recession. To maintain a strong position though, he is taking two tactics: diversification and value-added service.

The strategy has been a big success to date. Sales have grown steadily—\$7.84 million in 1990, \$12.68 million in 1991, and an anticipated \$20 million to \$24 million in 1992. And profit dollars were "up about 267 percent," Mr. Rivera notes—from just over 1 percent of sales to 2.46 percent—despite a 42 percent increase in the work force.

In both 1988 and 1991 Advanced Data Concepts was named Minority Contractor of the Year for the Department of Agriculture's Soil Conservation Department, and the firm has received awards from the Small Business Administration and in Oregon on the state level. The company ranks 164 on the **HISPANIC BUSINESS 500**, up from 262 last year.

ADC started out in 1978 in a completely different market though, targeting law firms and insurance companies. As technology advanced, so did ADC's technical expertise, into networking and telecommunications, modeling and simulation, and geographic information systems (GIS) used to analyze and map terrain.

In 1983 ADC began to move away from private industry to focus on federal agencies like the Department of Agriculture

and the Department of Energy. That experience opened Mr. Rivera's eyes to the possibility of providing complementary, non-data processing related services. The company now has several employees who are really specialists, managing rights-of-way for the Department of Energy's Bonneville Power Administration. Some 15 percent of the 450 person staff safeguard nuclear material and related classified documents, primarily at Lawrence Livermore Laboratories in California. Frank Rivera Jr. heads ADC's security team.

Geographically, ADC has spread too, from Oregon to California, Colorado, New Mexico, Nebraska, Indiana, and Washington, D.C. Mr. Rivera is also examining—cautiously, he says—the possibilities that free trade with Mexico might open up.

None of this means that ADC has forgotten the basics of data processing, or its roots in the Pacific Northwest. Mr. Rivera still has his very first customer. Frank MacLean of WellPland Insurance hired ADC to provide hardware analysis, software maintenance, and customized programs. "What sets any service firm apart is being responsive to the client's needs," Mr. MacLean says. "ADC has always been very interested in providing what we wanted, and not dictating to us, 'This is what you really need.'"

That attitude has developed into a value-added marketing strategy on Mr. Rivera's part. His philosophy is to take ADC's level of service beyond the minimum required in a contract, and work as though each client's business were his own.

"Frank is under no obligation to run the people he hires past us for approval, but he does. With other contractors, we simply

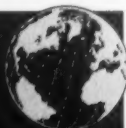
CEO Frank Rivera Sr. (left) and his son, President Jim Rivera, were proud to be named a Department of Agriculture Minority Contractor of the Year.

write up the requisition. ADC allows us to sit in on some of the interviews, though, and they ask us if we think that person would fit in with the team." The speaker is a manager at the Department of Energy's Bonneville Power Administration, which markets electricity generated by dams.

"ADC has its own standards and keeps its own records of how a person performed," the Bonneville manager adds. "If the worker has a problem meeting the standards, they try to figure out what the problem is and fix it or find another job for the person within their organization. So many contractors would walk away from that kind of situation."

Past triumphs don't mean that ADC won't face challenges. In particular, Mr. Rivera sees defense contractors as likely rivals for his contracts with the Department of Defense, the General Services Administration, and other federal agencies, since peace has left them heavy on technical staff but light on work.

His own plan is to continue to go after the business and to maintain high levels of performance. ADC's ultimate success may depend, though, on what kind of strategizing goes on in Washington. "We need good leadership at the top to lay out a peacetime economy," he says. "If we don't have a strong economy and operable factories, should we need to militarize, our factories will be in Japan." □



#168

La Pizza Loca Inc.

Alex Meruelo, CEO
Buena Park, California



By Kathleen Sharp

At a time when more people are cooking low budget meals at home, Alex Meruelo considers himself fortunate. His pizza business, La Pizza Loca, is not just stable, it's growing at a juggernaut pace. Last year, sales of the Buena Park, California based business boomed—up 25 percent to \$12.5 million, placing it number 168 on the Hispanic Business 500.

The sales growth is admirable, especially since it occurred at the trough of the recession. "My industry is definitely being pinched by the recession," says Mr. Meruelo. "But we've been able to buck the trend." And profits have been good—although down as a percent of sales in 1991 owing to a "significant expansion of management" in preparation for future business growth. The company's total work force increased from 700 to 800.

These achievements are more noteworthy considering that Mr. Meruelo is only 28 and started the company just seven years ago. "He's doing really well, based on his company's growth pattern," says Gerry Durnell, editor-in-chief of *Pizza Today Magazine*.

Clearly, the young man bucks trends, and therein lies his success. By offering pizza to consumers in predominantly Hispanic communities he found a big, previously untapped niche market. Furthermore, although Mr. Meruelo was born in New York of Cuban parents, he's making his mark in the Los Angeles area where most Hispanics are Mexican American.

His ability to buck trends stems from an uncanny sense of timing—and fate. In 1981, when he was 17 years old, Mr. Meruelo's parents co-signed a \$100,000 loan that allowed him to start up a chicken restaurant. "Within a year, I saw all these competing chicken restaurants springing up on every

corner," he recalls. He didn't have the money to challenge the larger operations, so he quickly sold that business. Around the same time, he graduated from California State University at Long Beach, where he earned a bachelors degree in finance.

Then in 1985 the young entrepreneur's parents were landlords of a pizzeria that was delinquent in rent. For \$25,000, they sold him the pizzeria business—which was in a Hispanic neighborhood. This was fortuitous, for unbeknownst to him, pizza was the rage in Mexico, where few people could afford it. "I discovered that as soon as people from Mexico got a job here, they wanted to spend it on pizza."

Then he made some savvy changes. For every pizza ordered, La Pizza Loca offered a free pizza, at an average cost of \$9. The deal attracted business, and in four years Mr. Meruelo opened 14 stores in Los Angeles and Orange counties.

By 1990, the recession bloomed full force in Los Angeles. Worse, larger competitors were muscling in on La Pizza Loca's territory and threatening its solid customer base. So the CEO initiated some aggressive changes. He guaranteed deliveries within 30 minutes, or else the customer would get two free pizzas. He hired two customer service specialists to teach employees how to enhance service and sales. "It cost me about \$100,000, but the feedback has been very positive," he confides. He also lowered costs by negotiating lower prices from suppliers.

The company then sliced its ratio of late deliveries, which in 1990 had cost 2 percent of sales, or \$200,000. By year-end

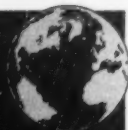
1991, that figure was 1 percent of sales, or \$120,000. Later, he increased by 50 percent the amount of toppings heaped on each pizza, and introduced jalapeños. Now the chain is unveiling a new pizza replete with chorizo, tocino (bacon), onions, beans, and jalapeños and cheeses.

Bigger plans are bubbling. By year-end 1992, Mr. Meruelo plans to nearly double the number of stores, from 30 to 50. He has sold four franchises, all to former employees, but prefers to concentrate on growing company-owned stores.

And he hopes to make an initial public offering later this year, as soon as the SEC eases filing requirements for smaller companies. If successful, Mr. Meruelo could raise \$9 million to expand.

"I want to open shops in Texas, New Mexico, New York, and Chicago," he says. And he intends to open a shop in Tijuana within a year. "I see tremendous potential in the market in Mexico, and once we get through the application process there, we'll have a store across the border."

Mexico's 88 million consumers offer a larger pizza buying market than California's 30 million residents, according to a Bank of America report. Plus, Baja California is growing at a healthy rate of 3.5 percent. As soon as La Pizza Loca enters the Mexican market, its size should double to 100 stores by year-end 1993, says Mr. Meruelo. (T)



#214

Technical Telephone Systems Inc.

George Cruzado, Chairman
Staten Island, New York



By Yvonne Conde

In the frantic world of financial trading, "traders look for any kind of advantage they can get—a second, a nanosecond," says George Cruzado, chairman of the board of Technical Telephone Systems Inc. His company gives traders such an advantage—with fast, reliable installation and maintenance of the vital brokerage telecommunications system.

Equally owned by half-brothers of Puerto Rican descent—Ray Pabon and George Cruzado—TTSI is one of the biggest privately owned telecommunications companies in the New York metropolitan area. With 1991 revenues of \$9.5 million, TTSI is 214 on the **HISPANIC BUSINESS 500** and employs a staff of 83, 54 of them technicians. The company designs, manufactures, installs, and maintains voice and data communications products, fiber optic cable, and related equipment. They also provide complete system integration.

Fate prodded TTSI's beginnings. When Mr. Pabon left his telephone technician job in 1980, his employer sent notices to all his customers, advising them Mr. Pabon was no longer with the company. "It was the best advertising I could have had," he says gleefully. Eighteen clients followed him and the phone hasn't stopped ringing. His brother, who agreed to help administer the one-room fledgling business, now claims to be the "lead weight" administrator who anchors Mr. Pabon, the visionary and technical half of the team.

Reliable service built TTSI's name. "We were the first ones to put on contract a service guarantee for a major outage within an hour," says Mr. Cruzado. "We'll walk away from a business if we know we can't service it. A hard decision to make in these economic times." Brother Ken Pabon, director of field operations, juggles the technical team's schedules.

Recently, TTSI handled much of the technical end when brokers Noonan, Astley & Pierce moved from New York to New Jersey. They were chosen because "TTSI has built a real reputation in servicing the financial area," attests Joseph Illari, vice president of the brokerage's communications division. "They're two outstanding individuals who will live by their word. They tell you what they are going to do—and they do it."

Also, "we weren't afraid to experiment with ways to help clients perform better and easier," says Mr. Pabon. Among their design innovations, a system that replaces 12 single line phones with a box taking up little more space than a single phone. Another TTSI development is a proprietary software program—TMS, or "Turret Management System"—that organizes the multitude of turret lines. A trading turret is a phone system that handles from 30 to 300 buttons, giving immediate access to an institution or bank. TTSI leads the competition in the installation of turrets.

Yet another TTSI proprietary product is the "Video Page Generator," which converts ASCII stream into an analog picture connected to a video switch for information distribution. Staying on the edge of rapidly evolving technologies takes constant research. "I read about 15 trade magazines a week" says Mr. Pabon. He also takes frequent trips to Europe in his quest for new ideas.

Preparing for future growth, the brothers continue moving toward a one-stop-shop concept. "We knew there was going to be a marriage of voice and data and we jumped into the market a number of years ago," says Mr. Cruzado. TTSI now pro-

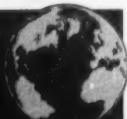
George Cruzado (right) and brother Ray Pabon are equal partners in a growing telecommunications business.

vides complete turnkey design. They have distributing agreements with Toshiba, V Band, Tandon Computer, IBM, and Sun Micro Systems and offer both key and PBX systems. They are also an authorized agent for the ordering and implementation of New York Telephone's Centrex, Private Line, and T1 facilities.

Two years ago TTSI opened an engineering and research facility in Somerset, New Jersey. The facility produces their custom designed generic personal computers, like custom UNIX systems and video switches. "It is going to be a very, very major portion of our business. We feel that next year it will account for 20 to 25 percent of our total sales," says Mr. Cruzado.

In spite of a doubling of business failures in Manhattan in 1991, from 730 in 1990 to 1,397, TTSI's sales increased by \$1.9 million, or 25 percent. And despite a bigger work force, productivity increased 5 percent, to about \$114,000 per person. It could have been more. "Brokerage firms have diversified. Banks have merged, others collapsed. Even though we grew, we lost," Mr. Pabon explains.

The growth they did have is due to their diversification, he says. "When you fall short in certain arenas, other parts of the company can keep you going." (E)



#224

Mevatec Corp.**Nancy E. Archuleta, CEO
Huntsville, Alabama***By Maura J. Mackowski*

In 1985, I met a marketing professor whose words to me were prophetic: "When you plan for your new business, do it as though peace broke out today."

Seeing the beating the defense industry is taking right now, Nancy Archuleta is glad she took those words to heart. Today her Alabama-based firm, Mevatec Corporation, has revenues of more than \$9 million a year, and quadrupled profits in the past year, to about \$452,000. The company, ranked 224 on the **HISPANIC BUSINESS 500**, does high-tech electronics assembly and software systems design for the Department of Defense—but also for private research and industry.

A few years ago though, Mevatec Corp. almost closed its doors. Two things kept the company going: perseverance—and ingenuity.

Back in 1987, Ms. Archuleta had to lay off 75 percent of her employees. Family members began working for free when necessary. "We lost a major contract," she explains. "But I learned from that how to live every day as though the wolf were at the door. Today all of our decisions are made that way, regardless of what the economy is like."

Most of the decisions concern growth. "Entrepreneurs have to protect the infrastructure of their businesses," Ms. Archuleta advises. "Otherwise we forget to treat them like infants, and we weigh them down with the anvils of high employment, or taking on jobs just for revenues." In 1991, Mevatec's average sales per employee were \$121,000 a year.

If she sounds like an entrepreneur, she is. Ms. Archuleta's training and experience is in business administration and economics. "Nancy Archuleta's big skills are marketing, people, and networking," says

Mevatec customer Don Bryson, director of materials at the Los Alamos National Laboratory. The lab purchases cable assemblies it uses to connect experiment instrumentation to computers, an application he says requires pretty stringent quality standards.

Mr. Bryson met Ms. Archuleta through the Rio Grande Minority Purchasing Council, where he noticed how she excelled at building contacts. "She's very adept at taking advantage of the resources in the community," he says. "Like a movie producer who has to be able to pick out the right technicians and the right stars, Nancy has made very good contacts at New Mexico State University and through the Minority Purchasing Council."

Ms. Archuleta believes in strengthening relationships by pumping work back into the local economy. Some 30 percent of Mevatec's assignments are subcontracted to area universities, labs, and corporations, she says. Although altruism has a lot to do with it, the practice also allows Mevatec to avoid the burden of supporting more employees than it can keep busy year round.

As past chairman of the Rio Grande Minority Purchasing Council, Don Bryson wishes more entrepreneurs acted that way. "A lot of them tend to be shy of using other resources or networking in the community," he says. "Nancy's company was still small—only eight or nine people at the time—but she went over to a lab where there were about a thousand people, and persuaded them that it would be to their benefit to hook up with her."

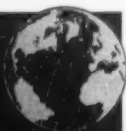
In Huntsville-Madison County, where Mevatec employs 71 people in data base

design and management (others work in Washington D.C. for the Department of Defense), the firm has tapped into area business networks. "Nancy Archuleta was astute enough to go to a very large company and lease space there for several years," explains Virginia Wright. Ms. Wright is the Small Business Administrator for the Army's Strategic Defense Command, a Mevatec client. "This helped her get the location she needed, save money, and project a good profile in Huntsville."

She thinks she was astute to choose Huntsville for Mevatec's headquarters. The area is home to a large number of government and other activities dealing with a broad range of technologies. "And I found people in the banking realm with a keen interest in small businesses, willing to work with our firm and the SBA to provide funds for growth," she grins—"even when the books were, to quote one banker, like an 'ugly baby.'" This year the county nominated Mevatec for the national Small Business of the Year Award.

As long as there are dictators in the world, Ms. Archuleta believes that defense will be a good business to stick with. The feelers she is putting out, though, lead her to think that the telecommunications industry also needs what Mevatec can provide. Maybe it'll be a spinoff, or perhaps an acquisition or merger.

In any case, this entrepreneur says she's teaching the staff to write winning competitive proposals. (T)



#249

Roses Southwest Papers Inc.

Roberto Espat, CEO
Albuquerque, New Mexico



By Hector Cantu

For someone who doesn't sell Big Macs, Roberto Espat knows a lot about the financial status of McDonald's.

"They've been doing some expansion worldwide," he says, flipping through the company's annual report. "Things have been stagnant in the U.S. for the past two years because of the economy. But net income was up 7 percent in 1991."

Good news for Mr. Espat, the chief executive officer of Roses Southwest Papers Inc. in Albuquerque. And for his wife and partner, Vice President for Quality Control Rose Marie Espat (the firm's namesake). Their company feeds the huge hamburger empire's monster appetite for recycled paper bags—millions and millions each month.

"We were in negotiations for two years before they considered using us," Mr. Espat recalls. "We talked about doing napkins, then bags, then burger wrappers. Then we ended up back with bags." Very satisfying.

The craft paper used in making those sacks accounts for a good part of the 8,700 tons of paper that each year enter the company's 39,000-square-foot plant and warehouse. There, the sack paper is trimmed, shaped, and prepared for shipment to McDonald's restaurants across the Southwest. Another process involves converting jumbo rolls of tissue paper into single rolls for use by America's military facilities here and abroad.

It's a long way from the tiny Central American country of Belize to a world where Ronald McDonald needs an official recycled paper sack for his fast food goodies. Mr. Espat, the son of a Mexican chicle merchant, did have a background in international business. He first ventured into the paper industry 20 years ago, building up a firm—J. Espat Ltd.—from \$4,000 in

savings and \$126,000 borrowed from a Belize bank. But he and Ms. Espat, herself a native of Guatemala and a small business owner in Belize, agreed they should "look for something simpler and easier" in the United States.

In fact, their move to Albuquerque in 1981 "had nothing to do with business," Mr. Espat says. The couple had decided that the New Mexico climate was ideal for their young daughter, who suffered from asthma. They did want to start "a small business, not the same kind of business." It didn't work out that way.

"I didn't know," the CEO laughs, "that we'd be getting gray hairs this quick."

Almost as if they couldn't restrain themselves, the couple attained sales of \$3.76 million and 18 employees just two years after startup in 1986, and more than doubled that in the next five years. Year-end 1991 revenues were at \$8 million, up from \$5.8 million in 1990, supported by a work force of 37. That's more than \$216,000 in revenue per employee, up from \$193,333 in 1990. And profits before taxes were "45 percent higher than the year before," the CEO confides.

The Espats started as a regional business, but now buy and sell paper in many countries, including China, Japan, Mexico, the Philippines, Trinidad, and Belize. Their position on the *HISPANIC BUSINESS* 500 has improved greatly, from number 320 last year to 249.

Why the success? Experience, certainly. And hard work, definitely.

"For us, the day does not have enough hours," Mr. Espat admits almost sheepishly. They're always trying to develop new business in bag sales, and now there's a special emphasis on working the other fast food chains to expand the line of nap-

kins and paper towels.

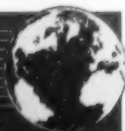
Observers say more growth is inevitable. "Robert has a strong drive, he's a hard worker, he's honest," says Anthony Boulous of the Fort Howard Corp. in Green Bay, Wisconsin, one of Roses' paper suppliers. "These are very basic ingredients for success, yet so few embrace them." And the company "has a good production facility," adds Jeffrey Bailey, a McDonald's business development manager at the corporate office in Oakbrook, Illinois. "Reliable and dependable."

The dependability and efficiency they believe results from a policy of "treating our people very well." Employees have an opportunity to get a cut of the company's profits, under a profit-sharing plan initiated in 1987.

The recession has slowed progress—if only a bit. While the Espats can't say they've been affected by it, they are spending capital cautiously. "Right now, we have some industrial revenue bond money to spend, but we haven't done it yet," Mr. Espat allows. "We hope to get some additional business lined up first."

As they see it, even traditionally stable government contracts—which make up about 54 percent of the company's sales—are not a sure thing. As military tensions around the world subside, more U.S. overseas bases are in danger of closing. "Our contracts may decrease in those areas," Mr. Espat explains, "but we're picking up business elsewhere."

Then with characteristic understatement, he adds, "What will happen this year is unforeseeable." (X)



#256

Jesse Fence and Construction Co. Inc.

Jorge Casimiro, CEO
Houston, Texas



Photo by Bill Pogue

By Hector Cantu

Jorge Casimiro, chief executive officer of Jesse Fence and Construction Co. Inc. in Houston, is convinced that being second best just won't do. A small startup business operating in the various "good ol' boy" networks that pervade big cities like Houston has no chance for second impressions.

"When you start courting bigger clients, yes, it helps tremendously to have a good image," insists Cuban-born Mr. Casimiro, 38. "You have to present yourself as a very professional outfit." Advice worth taking, based on what it has done for his company.

After nine years of growth in Houston, expansion into Arizona and Florida, and 10-fold growth in the past five years, Jesse Fence has annual revenues of \$7.74 million—up from \$4.74 million in 1990—and profits in the 6 to 8 percent range, about 1 percent better than last year.

The company is a Blue Chip Entrepreneurial Award winner. It is number 59 among the 100 fastest growing private companies in Houston, according to *Houston Metropolitan* magazine; now number 256 on the *HISPANIC BUSINESS* 500 directory. And it counts on adding the links needed to be a chain stretching all "across the southern United States."

On the subject of image, Mr. Casimiro's assurances to potential clients begin along the lines of: "We're set up to do things right. We have a network of computers, our controller is a former bank president, our offices sit on four and a half acres in Northwest Houston."

Then there's the matter of follow-through. "Jorge Casimiro is a man of his word," booms Steve VonHofe, vice president of construction at the Newmark Home Corporation in Houston. Newmark has used Jesse Fence on residential projects

for seven years. "Good fence companies are tough to find," Mr. VonHofe explains. "His prices are competitive and he honors his prices."

If he says he'll do a project at a certain price—then he will." About 85 percent of the company's business is done with the private sector, "not that I don't want government contracts," Mr. Casimiro smiles.

Still, it took about four years for the company to turn a profit. As the CEO points out, "I had never sold fences before." He had, however, sold furniture, stationery products, and deli foods in the three separate businesses he owned in New York before investing in the fence company—and before reaching the age of 30. His father and a cousin launched the company in 1983 partly with \$17,000 of his money. A year later, in 1984, "My father was more than happy to let me come in to run the thing," he says, "and in the beginning it was tough."

In fact, Mr. Casimiro's voice lowers, "it was bad"—largely because he arrived in Houston on the heels of the Texas recession. New business had to be hacked out of a shrinking market. "We made other people go out of business."

Much of their success he credits to a "top-notch" work force. "In the fence industry, owners don't trust employees," Mr. Casimiro explains. But he's a maverick. "I treat employees like they want to be treated. I'm always looking to hire the best managers or the best talent, who have been mistreated at other fence companies. Then I let them make decisions. I try to interfere as little as possible. I give people authority, command, and respect."

And, when appropriate, cash loans. The

independent minded CEO often lends money to members of his 71-person work force—up to \$6,000. The return on investment? "I have the lowest turnover in the industry in the Houston market. You have to take care of your people." And increased efficiency allows him to work with a 12 percent smaller staff this year. Productivity works out to \$109,000 in revenues per employee, up from \$58,518 in 1990.

Now, although the Texas recession still lingers, Mr. Casimiro says they're not affected as badly as the rest of the country. "Houston is diversified. We have low interest rates. Construction is up." He is "being careful in spending, but not because of the economy. It's because we're not nonchalant about things. We expect growth, and more profit in 1992 from being more careful on how we stock inventory." Also, with the current low interest rates, Mr. Casimiro is considering refinancing the loan on the four-acre company complex.

But just as he stepped out of the furniture, stationery, and deli businesses, this perennial entrepreneur says he may leave the fence construction business too. The new interest? General construction.

In 1987, once again, he helped his now 73-year-old father, Luis Casimiro, launch a new company: the Stature Construction Co. Stature—number 300 on the *HISPANIC BUSINESS* 500—builds homes and schools in the Houston area. Last year, revenue hit \$6.25 million.

"I may sell the fence company and help my father run the construction company," he muses happily. (T)



#355

**Barrientos
& Associates Inc.****Julian Barrientos, CEO
Madison, Wisconsin***By Maura J. Mackowski*

"A leader is a person who creates leaders," says Julian Barrientos. In 18 years of business, the CEO of Barrientos & Associates Inc. (BAI), consulting engineers and architects, has assembled a team with 105 leaders.

They've advanced BAI from a single office in Madison, Wisconsin to branches in five states, and from its beginnings in bridge building to an enterprise encompassing every facet of transportation construction. They've also almost tripled annual sales in the past five years, from \$1.9 million in 1987 to \$5.1 million in 1991 (placing number 355 on the **HISPANIC BUSINESS** 500, up from 401 in 1990).

Further, they increased the work force by 50 percent in 1991, from 70 to 105. While that reduced sales per worker slightly, profitability more than doubled, from 3 percent on revenues of \$4.1 million in 1990 to 7 percent on \$5.1 million.

Those would be handsome numbers in any year, but when Mr. Barrientos adds that he's still hiring in the midst of a recession—and expects to double his revenues within a few years—you have to ask what he knows that the pessimists don't.

The Bolivian-born engineer will tell you he knows how to design, how to develop people, and how to plan like crazy. "We have a very aggressive growth plan," he says. "A substantial portion of our income now comes from our architecture division, headed by my son Norman. Water resources engineering is a strong area now, and we're entering a new field, airport design. We've acquired a company in Chicago, a 30-year-old firm with a good reputation in transportation construction."

First Wisconsin Bank helped finance BAI's expansion. According to Vice President Kathy Hendrickson, Mr. Barrientos's past successes help when he approaches

her bank for a loan, but it's his marketing plan and his team of leaders that clinch the deal. "Julian is always looking at his business," she says, "and asking, 'what do I need to change today in order to be where I want in five years?' He's tenacious; he thinks long term and he thinks big picture. Second, he finds good quality people with strong credentials. If you don't have the expertise, you won't succeed, no matter how much financing you have."

Ms. Hendrickson cites a third factor in the company's growth: a solid management structure. "He put a system into place to track the business as it grows," she explains. "That's not easy. You have to know you can trust all your managers, and know that they are looking at the business from the same standpoint you are."

Mr. Barrientos was very much aware of the management problems that diversification brings, so he made plans for that, too. He hired Robert W. Pricer, Ph.D., a professor of the Graduate School of Business at the University of Wisconsin to help create a corporate structure that would build on the strengths of BAI's team, and encourage growth.

"He needed a new, decentralized management structure," Dr. Pricer explains. "I helped him put together a matrix system that would allow him to delegate responsibility. Each office is a profit center, with budgets developed locally and approved by Julian. Within the budget, managers make their own decisions, and refer only exceptions to him. This allows Julian to focus his attention on seeking business opportunities."

Opportunities are plentiful right now, Mr. Barrientos believes. The recession has turned out to be a boost to his company, because the federal government has

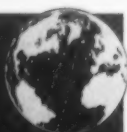
committed to improving the economy with massive outlays for more bridges, tunnels, highways, and airports. Approximately 35 percent of BAI's business is federal contracts, and another 55 percent comes from state and local agencies, often financed with money that originates in Washington.

Likewise, increased environmental awareness should heighten demand for improvements in erosion control, land drainage, sewer design, and flood control. Free trade in North America offers international opportunities too, which the company sees itself pursuing beyond the current five-year plan. Taking advantage of all this means planning ways to recruit, train, and keep high-quality people.

From day one, that's been a tough job. Mr. Barrientos had to struggle with the English language, the state of Wisconsin's policy against using private consultants, and the challenge of persuading clients and employees to give a very small company a try. "You have to go beyond language," he says, "and use the language of eye-to-eye. I hired someone who had 25 years of experience with the Department of Transportation, and had to persuade him person to person to awaken his feeling of entrepreneurship, and help him understand that great things are not accomplished unless you take chances."

Fostering entrepreneurial thinking has paid off for Mr. Barrientos, his company, and his employees. Mr. Barrientos credits his son with seeing the opportunities in Minneapolis and Boston, then acting on them. He cites another employee who hired on as a secretary, earned a degree, and today manages the Milwaukee office.

It's people who build companies. (2)



#446

**Castillo
Company
Inc.****Eduardo A. Castillo, Chairman
Phoenix, Arizona***By Steve Bergsman*

Eduardo Castillo saw it coming three years ago. His company, founded in 1977, was still expanding nicely, but he could see that his major client was going to feel the oncoming recession. The company is Castillo Company Inc., a Phoenix-based corporate site-selection/real estate consulting firm, and the client is State Farm Insurance. The business at stake made up 80 percent of Castillo Co.'s revenues.

"Even though our work load was increasing," Mr. Castillo shudders slightly, "we saw the handwriting on the wall. Sooner or later something was probably going to happen with State Farm. We needed to be quick on our feet."

So Mr. Castillo, founder and chairman, made a number of changes. He decided to streamline staffing. He made a strategic decision to move after a much wider diversity of clients. And he would expand some of the company's services.

Most of his goals were reached. He dropped staffing by 25 percent, from 40 people to 30, filling the gap with temporary workers as business continued to be steady. The shift to a diversity of clients is slower, but effective. Dependence on State Farm has been cut to 70 percent, with a target of 50, while the revenue base is increasing. The company placed 446 on the **HISPANIC BUSINESS 500** this year, with 1991 sales of \$3.60 million, up 13 percent from 1990.

Much of the new revenue came from new local clients in Arizona—Maricopa County and the Resolution Trust Company—as well as from new chain clients like Albertson's groceries. And the company continues working hard to expand business with old clients, like Standard Brands, the paint retailer.

"Our diversity and flexibility are helping us succeed," Mr. Castillo says. "We can

carry a client through the entire real estate process, from the market research, to architectural services, to construction, to operations."

Indeed, says Standard Brands Vice President Dorman Leighty, "Castillo has done so much work for us in the past eight years it's difficult to differentiate everything they've done. Over the years, if I needed something done, especially in Arizona, I'd give Ed a call."

The client relationship began when Castillo Co. did market research to help Standard Brands select target cities and states—like Oklahoma City, Denver, and the entire state of Texas. Now the services include everything from solving condemnation problems to coordinating construction on new Standard Brands outlets.

But last year, according to Mr. Castillo's new strategy, he added some important items to that list of services. For example, the company invested in a new technology called GIS, or Geographic Information Systems—a computerized approach to analyzing or segmenting markets and products based on geographic relationships. It allows the firm to do sophisticated market research more quickly and accurately. So, for example, when Standard Brands decided to establish smaller stores in minority-populated Los Angeles neighborhoods, Castillo Co. used GIS to identify voids in the company's current store coverage.

"From a strategic perspective," Mr. Castillo says, "GIS allows us to provide a service that is needed in today's economy, because it allows us to help clients get closer to their customers. It's important to be focused on the market and have the



right tools to affect those markets. It's also a matter of finding niches where nobody else is."

All the changes Mr. Castillo made in his company didn't come without a degree of pain. Although revenues have been growing, from \$3.19 million in 1990 to \$3.60 million in 1991, profits have been "up and down" over the past three years. Some changes, like the purchase of the GIS system, were expensive but necessary. Also expensive were additional marketing programs. "In order to maintain our level of growth we had to invest far more heavily in the marketing aspect of the firm than ever before," Mr. Castillo comments. Well, this is the year he expects the payback to start—beginning with more than a 25 percent boost in revenue, and ending with a more comforting bottom line.

"We have withstood this recession," he concludes. "The worst time is right now, and I feel very good about our chances. Now we can move forward and take advantage of our situation."

As for State Farm, the client that scared Mr. Castillo into changing things, they like what they see. Gene Schmidt, assistant director, corporate properties for State Farm, observes that their work with Castillo Co. has increased over the past 10 years, although at the moment it's down some, and "we look forward to continuing that relationship with Eduardo." 

Trucks—Top Dealers Selling 'Em Like Hotcakes

Light truck sales—particularly pickups—are helping the top Hispanic auto dealers through the recession.

In Denver, trucks are outselling cars, says Lloyd Chavez, CEO of Burt on Broadway (number 2 on the **HISPANIC BUSINESS 500** with 1991 sales of almost \$423 million). He sells Chevrolet, Toyota, and Subaru lines. "Anything that has a commercial use has been the big thing," Mr. Chavez says. "Trucks have really helped us."

Also popular are truck-based sports utilities like the Chevrolet S-10 Blazer and big Blazer and the Suburban. The Toyota 4Runner is big. So are stretch cab trucks like the S-10 and big (C/K) Chevys and the Toyota XtraCab. The stretch jobs "can haul a family and can be used for pleasure and work," he says. "It takes a stout vehicle to pull boats and trailers up over mountains."

Pickup trucks and the entire Ford line aren't just doing better in the recession, they'll lead the recovery parade, says Lombardo Perez, CEO of Metro Ford Inc. in Miami (number 54 on the 500 with revenues of \$39 million). "When things get back to normal, trucks will become even more important," he says. "Ranger [the compact truck] has always been a good seller in our South Florida area even in the slow times."

Which is why domestic truck makers are more optimistic about truck sales than car sales. Figures from *Ward's Automotive Reports* show production plans calling for a mid-year 24 percent increase in truck production, against an 8 percent increase in car production.

In Texas, "light trucks are more important than cars. We used to sell two cars for every truck, and now it's 1.2 trucks for every car," says Chevrolet dealer Ernest Ancira Jr., head of Ancira Enterprises in San Antonio (number 10 on the 500, 1991 sales of \$132 million). His biggest truck problem is the redone Suburban's success. "It used to be attractive in Texas. But the new

Long time numero uno dealer Frank Galeana's Van Dyke Dodge is 12 on the 500 at \$125 million. He is getting ready for a "three or four-year sales spurt" with new Saturn locations in suburban Detroit, complementing his Dodge dealership there. He also has a Chrysler-Plymouth franchise in Fort Myers, Florida and a C-P and Jeep-Eagle store in Co-



The new Ford F-150 Flareside (left) and Styleside's rounder contours and cutting edge instruments sell them to 5 percent of all Hispanic truck and van buyers.

Suburban has taken off nationally, so we're on an allocation [quota] of Suburbans for the very first time."

Irma Elder, president of Troy Ford in Michigan (number 6 on the 500 with sales of \$154 million), says she's benefiting from women buying sporty trucks, because "It's not just a market for working units now."

lumbia, South Carolina.

On key industry issues, top dealers:

—Call unanimously for U.S. automakers to hold the price line as prices increase for Japanese brands. If domestic makers spurn the extra quick profits, the more expensive price tags on imports can help domestic sales volume. That in turn will help recapture lost market share.

—Are holding layoffs to a bare minimum. Nobody liked the idea of a St. Petersburg, Florida dealer who fired all the salespeople. Most felt it was a gimmick that would only work in smaller dealerships. Additionally, fixed sales prices only work in rare instances, primarily because buyers overvalue their trade-in vehicles.

—Report that low interest rates nationally don't help auto dealers much. Their customers have been offered low rates through factory-supported below-market rates for a long time. However, the lower national rates help build confidence in the economy as a whole, and that's good for business.

So let's get trucking. 

Top 10 Hispanic Auto Dealerships

Company	CEO	# Emps.	'91 Sales \$ Million
1. Burt on Broadway , Englewood, CO	Lloyd G. Chavez	565	\$422.68
2. Troy Ford , Troy, MI	Irma B. Elder	109	\$153.62
3. Ancira Enterprises Inc. , San Antonio, TX	Ernesto Ancira Jr.	285	\$132.00
4. Van Dyke Dodge Inc. , Warren, MI	Frank Galeana	269	\$124.50
5. Frank Parra Autoplex , Irving, TX	Mike and Tim Parra	265	\$123.25
6. Lloyd A. Wise Inc. , Oakland, CA	Anthony A. Batarse Jr.	246	\$117.00
7. Gus Machado Ent. Inc. , Hialeah, FL	Gus Machado	116	\$47.68
8. Miami Honda/Central Hyundai , Miami, FL	Carlos M. de la Cruz Sr.	132	\$46.22
9. Frederick Cadillac Inc. , Lebanon, PA	Frederick C. Laurenzo	85	\$41.29
10. Metro Ford Inc. , Miami, FL	Lombardo Perez	99	\$39.00

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JULY 1992

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Hispanic BUSINESS[®]

RAUL JULIA

Man of the World

Also in this issue:

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- Financing Independent Films
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- Contacts for Contracts



THE HIGHEST PAID
IN MUSIC,
FILM, TV

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July 1992

Volume 14, Number 7



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Raul Julia is Don Quixote in the play "Man of La Mancha."
Photo by Joan Marcus.

Cover design by
Buffalo Brothers Studios West.

As we go to press, at the end of the primary season, the domestic political world looks very different than it did last winter in New Hampshire. Tsongas, Kerry, Harkin, Buchanan—all are gone from the stage (although Tsongas's presence continues to be felt). For all practical purposes California's Jerry Brown is also a goner. It looks, at this point, as if Clinton and Bush will lock horns after their respective parties meet for the nominating conventions.

Meantime, a major and unexpected new variable has burst onto the scene. His name starts with a "P", as in populist and president.

Over the past decade, while the world roiled and changed, the American electorate seemed to be playing Rip van Winkle. First, Japan stepped up to the plate and started hitting home runs while we sat complacently in the grandstands and watched.

"Small business succeeded in spite of government."

In the early '80s we stopped being a creditor nation and became the largest debtor nation in the history of the world. The country's streets were filled more and more with homeless people and even homeless families. America's youth—and not only those in the inner cities—simply gave up thinking about the future and instead turned on to gratification here and now,

through material goods, sex, rock music, and drugs. The infrastructure so critical to successful commerce and industry was allowed to decay. More and more the small farmers were driven off the land.

But there was some good news, and it came from the small business sector. While corporations floundered and government spent, countless energetic entrepreneurs made their small companies grow and grow.

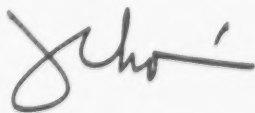
Is there a lesson here? Yes, several, and an important one we mustn't forget is that all these creative initiatives have not sprung from the efforts of politicians or government. Indeed, small business succeeded during the past decade in spite of government.

The major issue before the country as we move into an interesting season of politics and character bashing is very definitely an issue of leadership. Who should, who could, who will, lead the country?

There's a major third party initiative stalking the land, with one goal in mind: to break through and gain a prominent place in the national consciousness as the issue of leadership is debated, fought over, and decided.

The coming political season will be like nothing in recent memory, and quite possibly a throwback to earlier times when life was wilder. There's going to be a brawling, kicking, put-on-the-brass-knuckles row, such as we haven't seen in a long time. If anyone thinks the presidential election is going to be about issues, think again. It ain't. It's going to be a very American sport; the one sport that drives all Americans wild, whether their families came over on the Mayflower or just crossed the boundary line south of San Diego.

The name of the game is survival of the fittest. Which means that money, driving determination, and lady luck will largely decide the outcome.



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BPA CONSUMER MAGAZINES

MPA

Music's Where the Money Is

20 top grossing names in music, film, and TV.

By Michelle Vachon

Hispanic entertainers have been triumphant in music, successful in film, and weak in television during 1991-92. Right now, according to the second annual **HISPANIC BUSINESS** survey of top grossing artists, the music industry dominates in both box office take and prestige.

The number 1 reason for this is Julio Iglesias, who leads our pack of 20 superstars by a wide money-earning margin. **HISPANIC BUSINESS** estimates his gross revenues at more than \$77 million for 1991-92, the two year ranking period used for this listing.

Mr. Iglesias was also the clear winner last year, when we estimated his take for 1990-91 somewhat higher. (Our increased deductions for concert related expenses this year may explain much of the difference.)

Holding on to the number 2 position is another singer, Gloria Estefan. **HISPANIC BUSINESS** estimates her total take for 1991-92 at \$45.6 million. At that level, Ms. Estefan places well ahead of three other stars who should gross between \$25 million and \$35 million in 1991-92.

These high-flying headliners are singer Mariah Carey, Geraldo Rivera, the only Hispanic to pull down megabucks in the television industry, and music producer Emilio Estefan (Gloria's husband). We estimate Ms. Carey's earnings for the two-year period at \$35.4 million, and project \$27 million for Mr. Rivera and \$25.8 million for Mr. Estefan.

A newcomer to the top 20 entertainers this year, Ms. Carey is a singing sensation who rose to the top ranks based on sales of the first three albums she ever recorded. This new star, whose father is from Venezuela, wrote most of the material for the album that

introduced her to a fanatical public—"Mariah Carey." She went on to record a second best selling album, "Emotions," and just released a third, titled "Unplugged."

All of these 20 top grossing stars have one thing in common: they are all hits with the mainstream audience. While some of

them continue to perform in Spanish, all are "cross-over" stars.

The top 20 list includes no studio executives as yet, but Ricardo Mestres looks like a good bet for the future. As president of Hollywood Pictures (a production company owned by Walt Disney Pictures), Mr. Mestres has released films grossing over \$150 million so far in 1992. Another year like that, and his earnings based bonuses may put him in the running.



JULIO IGLESIAS

As a man who flies around the world in his own \$17 million jet, Julio Iglesias may be earning a little less now than in the '80s, but with a gross take of around \$40 million a year after concert expenses, he easily holds his own as number 1 on the

HISPANIC BUSINESS directory of top entertainers. The Spanish born singing superstar recently launched a hot selling new album—his 67th—titled "Calor," during a three month tour of South America and Europe. Subsequent tours will be in West Africa, the Far East, and Australia. His schedule of 174 concerts for 1992 will end in Las Vegas. Meantime, every few seconds some radio station somewhere in the world plays one of his songs—which are produced in six languages.



GLORIA ESTEFAN

Recovered from a nearly crippling back injury suffered while on tour, international pop superstar Gloria Estefan went on tour again in March 1991, this time on a circuit that took in five continents—through Europe, Australia, Mexico, Central and South America, and Southeast Asia. By March 1992 she had played live to well over 1.5 million people, bringing her estimated gross earnings after concert expenses to \$45.6 million for 1991-92. This "Into the Light" tour took its name from Ms. Estefan's 1991 blockbuster "Into the Light" album—her fourth to sell more than 1 million copies. Ms. Estefan says she will release an album of her "Greatest Hits" this fall.



Photo by Diego Uchitel

TOP 20 HIGHEST PAID HISPANIC HEADLINERS, 1991-92

Artist	(Gross revenues in \$ millions)		
	1991	1992	2-year Total
1. Julio Iglesias	\$35	\$42	\$77
2. Gloria Estefan	\$33.6	\$12	\$45.6
3. Mariah Carey*	\$20.4	\$15	\$35.4
4. Geraldo Rivera	\$12	\$15	\$27
5. Emilio Estefan	\$18.3	\$7.5	\$25.8
6. Placido Domingo	\$5	\$9.6	\$14.6
7. Andy Garcia	\$3	\$9	\$12
8. Charlie Sheen	\$3.5	\$8	\$11.5
9. Linda Ronstadt	\$6.2	\$4.25	\$10.45
10. Emilio Estevez	\$5	\$5.25	\$10.25
11. Jerry Garcia	\$4.6	\$4.1	\$8.7
(Grateful Dead)			
12. Tito Puente	\$3.76	\$4.3	\$8.06
13. Raul Julia	\$3.5	\$4.5	\$8
14. Edward James Olmos	\$2	\$5	\$7
15. Steven de Souza	\$2	\$3.75	\$5.75
16. Kenny Ortega*	\$2	\$3	\$5
17. Paul Rodriguez*	\$2	\$2.5	\$4.5
18. Mark Calderon*	\$1.8	\$2.4	\$4.2
(Color Me Badd)			
19. Bill Melendez*	\$2	\$2.1	\$4.1
20. Neal Jimenez*	\$1.5	\$2.5	\$4

* New to the listing this year

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MARIAH CAREY

When "Mariah Carey" (the album) was released in May 1990, the career of Mariah Carey (the woman) took off. With more than 5 million copies sold here and 7 million worldwide, the album is "platinum"—1 million sold—many times over. Ms. Carey, who writes and produces her own material, subsequently turned out a second mega-hit album on the Columbia label, titled "Emotions," and just released a third, "Unplugged," plus a reprise of the Jackson Five single "I'll Be There." All this adds up to an estimated gross of \$35.4 million for 1991-92, not to mention an American Music Award this year for "favorite soul/R&B artist."

Earnings

GERALDO RIVERA

Geraldo Rivera's recently published memoir, *Exposing Myself*, inspired NBC's "Perry Mason" series to feature him as a sleazy talk show host who is murdered after publishing a too revealing autobiography, in "The Case of the Reckless Romeo." All of which bolstered the image of humor and chutzpah that marks the man's public persona. Mr. Rivera hosts two daily television talk shows: "Geraldo," and "Now It Can Be Told," which appear on close to 140 TV stations nationwide. Together, these activities garnered estimated gross revenues of \$12 million in 1991, and should boost him to \$15 million in 1992, for a two year total of about \$27 million. And, yes, his real name is Geraldo Rivera, not Jerry Rivers.



EMILIO ESTEFAN

Emilio Estefan is a hugely successful music producer and manager, who started the group Miami Sound Machine before his future wife Gloria Estefan ever came along. With estimated gross earnings of \$25.8 million for 1991-92, Mr. Estefan has his own recording studio and also organizes and produces Ms. Estefan's albums, videos, and concerts, including the 1991-92 world tour. Another hot name in his string is singer/songwriter John Secada, who went to the top of the charts with his first album: "Secada."



Photo by Werner Klotz

PLACIDO DOMINGO

One of the world's great operatic tenors, Placido Domingo has six albums on the top charts, including two featuring "Three Tenors"—himself, Luciano Pavarotti, and Jose Carreras. Their video "Three Tenors in Concert" has been in the top 25 for nearly two years. Mr. Domingo will also star in a three-part televised version of the opera "Tosca," to be done on location in Italy this month and aired on PBS next fall, with later video sales. Additionally, he will give approximately 50 performances in the world's major capitals during 1992, at \$75,000 to \$100,000 each. We estimate that the famous tenor's gross from appearances and recording revenues will almost double in 1992, from \$5 million in 1991 to \$9.6 million, for a two year grand total of about \$14.6 million.

Earnings

ANDY GARCIA

Andy Garcia became a superstar in 1990 when he played Vincent Mancini in "The Godfather Part III." This year he has shot two features—"Hero," with Dustin Hoffman and Geena Davis, to be released later in 1992 by Columbia Pictures, and "Jennifer Eight," with John Malkovich, for August release by Paramount. Mr. Garcia has also been approached by Warner Brothers to star in the story of famous environmentalist Chico Mendes, who was assassinated trying to save Brazil's rain forest in 1988. Now the actor is trying to sell his own pet project—the story of Federico Fellobe Fico, who owned Havana's famous pre-revolution Tropicana Cabaret. At about \$3 million per film, Mr. Garcia should gross about \$12 million for 1991-92.



LINDA RONSTADT

Singer Linda Ronstadt did 25 highly successful albums in English before crossing over to Spanish with "Canciones de Mi Padre" in 1987. Since "Canciones" was good enough to go platinum—more than 1 million copies sold—the Tucson native went on to record a second album of Mexican songs ("Mas Canciones"), and another ("Heart Like a Wheel"), that went platinum last year. Ms. Ronstadt begins a tour in August with Los Comperos de Mexicano (folkloric dancers), scheduled for major venues including New York's Radio City Music Hall. Her albums continue to sell very well even though she does not tour as extensively as some of the other top concert artists. Her gross revenue is therefore estimated at \$6.2 million last year and slightly less, \$4.25 million, for 1992.



Photo by Jack Rowland

CHARLIE SHEEN

Charlie Sheen has settled down to making wild films. Like last year's "Hot Shots!" in which he stars as a renegade pilot in a fabulously successful spoof of "Top Gun." The box office take for that film exceeded \$68 million in 1991—good enough to call for a sequel, "Hot Shots II," to be shot this fall. Meanwhile, Mr. Sheen just starred in "Fixing the Shadow," in which he plays an undercover cop perilously close to identifying with his outlaw role. Considering his price of \$4 million a film, his two year gross should be \$11.5 million.



Earnings

EMILIO ESTEVEZ

As the son of actor/director Martin Sheen, brother of actor Charlie Sheen, and husband of singer Paula Abdul, film star Emilio Estevez is firmly wired into the Hollywood establishment. Best known for the high school jock role that really launched him in "The Breakfast Club," he has co-starred in "Young Guns" and "Young Guns II," and starred late last year with Mick Jagger in the futuristic Warner Brothers film "Freejack." This spring he shot a Walt Disney Pictures film "Mighty Ducks," to be released later in 1992. In that role, Mr. Sheen plays an arrogant young lawyer who gets sentenced for a drunk driving charge and becomes an inner city kids' hockey coach. With a probable asking price of \$2.5 million a film, he should gross \$10.25 million for 1991-92.



Photo by Susana Millman



Photo by Dean Williams

JERRY GARCIA

Rock guitarist and vocalist Jerry Garcia is leader of the Grateful Dead. After 27 years of box office success and fanatical loyalty from their "Deadhead" fans, the Dead are in a class by themselves. No other group earns more for its concerts, year in, year out. The Dead grossed an estimated \$35.2 million in 1991 alone. Even after accounting for very high concert expenses, Mr. Garcia's share, plus proceeds from a successful 1991 tour and album that he did with his own band, should bring his two year total to about \$8.7 million.



TITO PUENTE

After 56 years as a highly regarded musician, composer, vocalist, arranger, and conductor, Tito Puente, the long undisputed "King of Latin Jazz" made a stellar feature film debut late last year in Warner Brothers' story of Cuban band leaders, "The Mambo Kings." His latest album, released in early 1992—"Mambo King, the 100th LP"—indeed put him at the 100 mark. Known as a child prodigy when he began performing at age 13 with local bands in Spanish Harlem, Earnest Anthony Puente Jr. has written more than 400 published compositions and won three Grammy awards. With an amazing schedule of 200 to 300 concerts a year, plus what he gets from album sales, Mr. Puente probably grossed \$3.76 million in 1991 and can anticipate \$4.3 million this year.

Earnings

RAUL JULIA

It's difficult to be a movie goer and not see actor Raul Rafael Carlos Julia y Arcelay on the screen. This native of Puerto Rico, known as Raul Julia, has appeared in at least 25 feature films and countless stage plays over the past two decades, playing ethnic and mainstream parts with equal ease. Successful recent film appearances include "Kiss of the Spiderwoman" (1985), "Moon Over Parador" (1988), "Romero" (1989), "Presumed Innocent" (1990), and last year's smash, "The Addams Family" (\$113 million in ticket sales and still counting, as Paramount talks about the sequel). He starred on Broadway recently in "Man of La Mancha," bringing his estimated gross for 1991-92 to \$8 million.



Photo by Tony Freeman

STEVEN DE SOUZA

Script writer Steven de Souza, who now grosses more than \$1 million per feature film script, is busy. He just wrote a western titled "Hickok and Cody" for Warner Brothers, he is currently writing a script for Paramount's planned "Beverly Hills Cop III," to be shot in October, and he has three television projects in the works. Later this year he will also make his debut as a film director—with Warner's "Sea Devils," using a script he wrote on spec. Filmed on location in Jamaica, the movie will feature an ethnically mixed cast fighting the slave trade 150 years ago. Mr. de Souza moved into a higher price bracket with "Beverly Hills Cop III," and should almost double what he grossed last year in 1992—up from about \$2 million to \$3.75 million, for a two-year total of \$5.75 million.



EDWARD JAMES OLMOS

If the public starts thinking of film and television star Edward James Olmos as the ruthless crime lord Santana in "American Me" rather than as the stern Lieutenant Castillo in "Miami Vice," that's all right with him. Mr. Olmos says he worked for 17 years to bring "American Me" to the screen. He spent two more years developing the screenplay, signed on to star in the Universal Studios release, and then made his debut as a director and producer for the film as well. With five upcoming films, Mr. Olmos will probably gross \$7 million for 1991-92.



Earnings

KENNY ORTEGA

With Kenny Ortega one thing just keeps leading to another. As a teenager in Northern California, his passion was acting. Then he added an interest in music and dance, and gained attention as choreographer for a TV special. From there, Mr. Ortega began doing stage, film, and music video choreography for the likes of Cher, Bette Midler, and Miami Sound Machine. Later he directed a couple of TV series. And this spring he both directed and choreographed a Disney film titled "Newsies." Now he's signed up to direct Disney's film "Hokus Pokus," starring Ms. Midler, and will stage and choreograph Michael Jackson's upcoming world tour—bringing his gross revenues to an estimated \$5 million for 1991-92.



MARK CALDERON

Singer Mark Calderon and his group Color Me Badd are a soft-spoken quartet of 21-year-olds from Oklahoma who reached the Top Five in 1991 with their first single, the double platinum "I Wanna Sex You Up." The young men, who describe their music as "doo wop hip-hop," have since scored a hit album, "C.M.B.," and several singles, to accumulate three Grammy nominations, three Soul Train Award nominations, and one American Music Award. Mr. Calderon is Mexican American. His partners are Anglo American, Native American, and African American. Noted for their politeness and punctuality, the quartet are on tour this summer with Paula Abdul, and will be releasing a new album soon. Mr. Calderon's share of the gross should be \$4.2 million for 1991-92.



Photo by Andrew Cooper

PAUL RODRIGUEZ

This cross-over comedian has his own bilingual talk show on the Univision network, "El Show de Paul Rodriguez." But he appears almost as often in English language TV and films. Mr. Rodriguez will do his second special for Fox Television this fall, interviewing the Hell's Angels and Bikers for Jesus at America's premiere bikers convention. Also this fall he will appear in the film "Made in America," with Whoopi Goldberg and Ted Danson. All this boosts his estimated gross to \$4.5 million for our two year tracking period.



Earnings

BILL MELENDEZ

Top animator Jose Cuauhtemoc (Bill) Melendez gets paid for child's play. Best known as the producer of the "Peanuts" TV specials—his 49th special will air this December on CBS—Mr. Melendez, now 75, still runs the studio he founded in 1964 and still does much of the animation himself. Considered one of the top three independent animators in the industry, this native of Mexico started working for Walt Disney in 1938 during the production of the film "Fantasia," and has remained in Hollywood ever since. In addition to "Peanuts," Mr. Melendez has produced more than 1,000 animated commercials. Currently he is directing an updated version of "Frosty the Snowman." His gross for 1991-92 should be about \$4.1 million.



Photo by Rene Sheret



Photo by Bill Naton

NEAL JIMENEZ

Script writer Neal Jimenez also launched himself as a director of note this year with his autobiographical film "Waterdance." The film, which received excellent reviews, is an upbeat Columbia/Goldwyn production dealing with Mr. Jimenez's own experiences and adaptation after a serious hiking accident in 1984 that left him permanently paralyzed and confined to a wheelchair. He has since scripted and directed another film, Universal's "The Sweet Hereafter," due out later this year. Mr. Jimenez also co-wrote "For the Boys," starring Bette Midler and James Caan in the story about the USO in three wars, and wrote Robert Redford's upcoming release "Dark Wind," based on the Tony Hillerman Navajo mystery series. Currently he is writing "The Sweet Hereafter," for Universal. These films should boost his gross to \$4 million for 1991-92.

About Our Sources

Our estimates of the Hispanic headliners' grosses for 1991-92 were developed through multiple-sourced research that involved digging, cross-checking, and checking yet again. The figures we considered came from managers, publicists, press agents, lawyers, industry experts, trade publications and statistics, as well as

networks, film studios, and recording labels. Our final figures are considered the "most likely," and always on the conservative side.

We sincerely thank all the many people who helped us, with special thanks to *Billboard* magazine for statistics on record sales and chart ratings, and to entertainment trade paper *Amuse-*

ment Business for gross concert sales.

Finally, we thank our Entertainment Issue Consultant, Alan Gansberg, who helped us identify sources and assess results. Mr. Gansberg, a well known screenwriter and author and for many years an editor of *The Hollywood Reporter*, is now on contract with CBS and Interscope Productions.

Hispanic BUSINESS[®]

THE CHARGING 100

MVM
Slices
a Big
Wedge of
Security
Market

IN THIS ISSUE:

- Companies Going Public
- Mexico's Corporate Elite
- USHCC Leadership Issues



THE 100 FASTEST GROWING
U.S. HISPANIC
COMPANIES

Hispanic BUSINESS[®]

August 1992

Volume 14, Number 8



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Dario Marquez, CEO of MVM Inc., the fastest growing U.S. Hispanic company.

Photo by Jeff Watts.

Inset: Benjamin and Mary Alice Acevedo of Cal-State Lumber.

Mr. Peter V. Ueberroth
Chairman
Rebuild LA
1000 West 8th Place
Los Angeles, California 90017

Dear Mr. Ueberroth:

The powers that be in Los Angeles and the state at large hailed your appointment as head of Rebuild LA because you have an awesome reputation as a can-do manager of large scale projects.

We live, after all, in a sound bite and public relations driven society, and the PR that precedes and tracks your footsteps is overwhelming.

But this open letter to you is about the real world. You are sufficiently familiar with American lore, I am sure, to recall the causes of the Boston Tea Party and the American Revolution. "Tyranny" and "taxation without representation" is what they called it in those days.

Millions of people are using similar words to describe the situation they face today in Los Angeles. The city's Hispanic residents—its largest population segment at 40 percent—suffer today from taxation without proportionate representation in virtually all public policy making bodies. About 1.4 million Hispanics live within the city limits, and more than 3.4 million in Los Angeles County.

"Los Angeles is governed like a third world colony."

Now, with your recently announced appointment of a second-in-command and board of directors for Rebuild LA, you have disenfranchised this leading population segment in a decision making process that will affect them deeply and long. To date, only 11 out of 50 board members are His-

panic—22 percent. Meanwhile, a population segment representing only 14 percent of the city's people will have 14 board members, and will control Rebuild LA's top management structure. This is a bitter dose of reality served up by the current political machine, not a story of sour grapes.

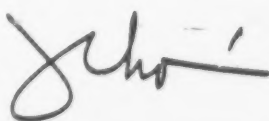
The reality is inescapable. Taxation without representation. Hispanic interests are locked out of the workings of a supposedly democratic public process by an unholy coalition of downtown business interests, the Mayor's office, and the West Los Angeles crowd. Earlier, the composition of the Christopher Commission (formed in response to the Rodney King beating) and Sheinbaum's Police Commission, both creatures of the LA metro cabal, set the color tone—one that you apparently emulated with no sweat.

Los Angeles is governed like a third world colony. The metropolitan downtown business/West L.A. core region manipulates the peripheral majorities for its own mercantile purposes. That makes you a sort of colonial viceroy, in charge of the native territories.

But in this case it's not can-do. It's won't-do. The colonists, feeling the sheer weight of their collective economic and political clout building up behind them, have revolution in mind.

Perhaps a couple of our readers will see to it that this open letter—unfortunately only a journalistic ploy—will reach you at fax (213) 489-5393. It will have to suffice, I suppose, until a more appropriate and dramatic "tea party" can be organized.

Sincerely,



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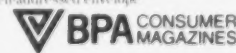
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100 FASTEST GROWING COMPANIES

"Top Liners"

By Rick Mendosa

We've been willing to forego profits—even take a loss—to show what we can do," says William Colon, president of Venntronix Corp., an engineering firm in Roslyn Heights, New York. "In the short term we don't look at

the bottom line," he explains.

"What matters now is top-line growth," agrees a recent headline in the business press. By "top line," they mean the sales number at the top of a company's income statement...growth in market share, not profits. It's the antithesis of the traditional corporate religion, which preaches managing for maximum short term profit.

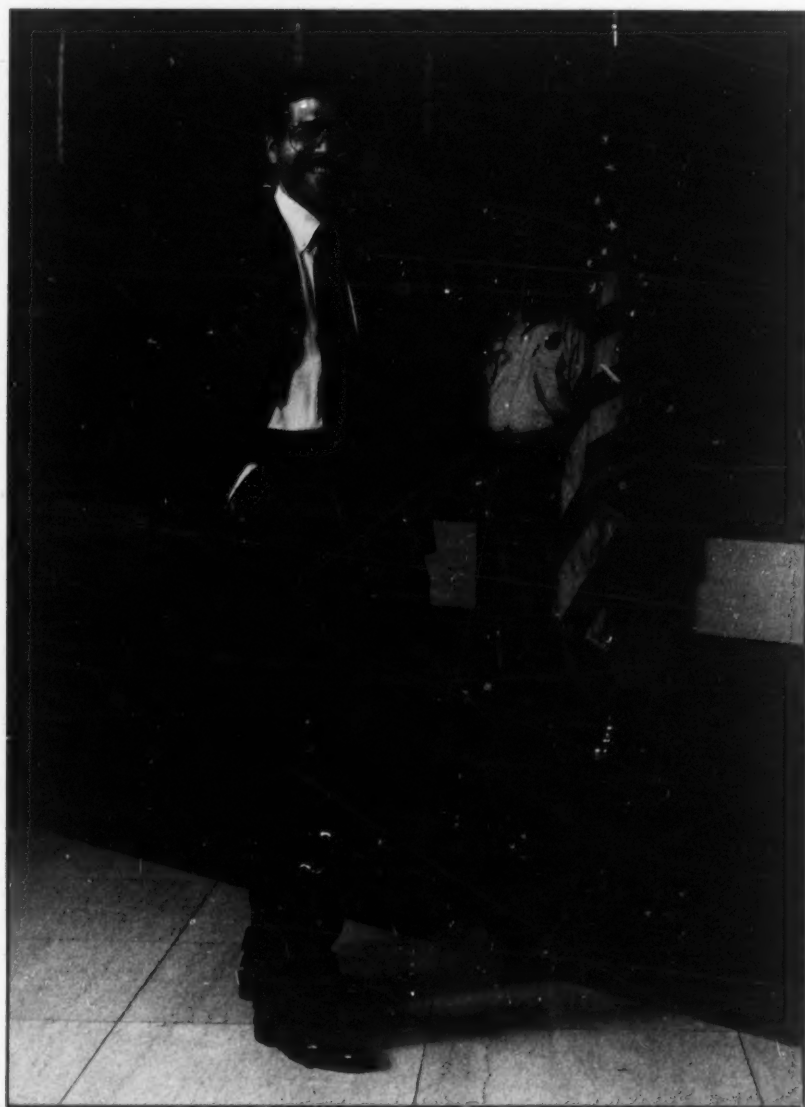
With his focus on the top line—on sales—Mr. Colon has indeed grown Venntronix. In the four years 1988 through 1991, the company's revenues have jumped 2,418 percent, or 124 percent a year, propelling it to number 5 on this ninth annual **HISPANIC BUSINESS** list of 100 fastest growing U.S. Hispanic firms. Starting with sales of just \$107,000 at year-end 1987, Venntronix was at \$2.7 million last year and expects the pace to continue.

Mr. Colon's growth strategy, one of finding a market niche and driving for fast share growth, is typical of the 100 fastest growing. Total sales of these companies shot up 524 percent in the four year period we tracked—more than 58 percent a year.

The fastest growing company of them all, MVM Inc. of Falls Church, Virginia, established its niche at the high-quality edge of the security services market. CEO Dario Marquez, who appears on this month's cover, managed MVM from sales of \$418,000 in 1987 to \$24.2 million in 1991. That's a flash flood increase of 5,679 percent in four years, putting MVM at number 1 on the fast growing list.

The biggest piece of MVM's business is "the delicate mission" of protecting American embassies abroad. This assignment accounts for 40 percent of the company's business, Mr. Marquez says, and "takes some of the most experienced people in the security industry. These guys are tre-

Leading the nation's number 1 fastest growing Hispanic company, Dario Marquez secured MVM Inc. a high quality niche in the high quality security services sector.



Take Market Share

mendously motivated." On average, they're between 35 and 40 years of age, and have three years of college education and 17 years experience in the military or law enforcement.

Another 35 percent of MVM's revenue comes from work for Uncle Sam here at home—everything from protecting nuclear materials to controlling access at government facilities.

Not incidentally, MVM and the other fastest growing companies are also making money. Venntronix's current profits, in the 6 to 15 percent range, would make any hard nosed bottom-line money manager flush with pleasure. "No, we don't focus on the bottom line," Mr. Colon observes, lowering his voice confidentially, "but in the long run it grows anyway." Fifteen of the 100 earn more than 15 percent on sales. Another 38 earn in the

6 to 15 percent range, and 38 earn from 2 to 5 percent.

The 100 fastest growing are not wedded to the bottom line, because they don't have to be. Being relatively small, privately owned businesses, they don't face the insatiable quarter-to-quarter stockholder expectations that the bigger corporations have to satisfy.

No, the chief executives of the 100 don't have to concern themselves with stockholders looking over their shoulders. But without those stockholders, they have another problem—that of securing enough capital to fuel demand for their products and services.

Celestino Beltran is a CEO who's feeling the growth-induced pinch so much he thinks he has to take his company public. That company, Comprehensive Technologies International (CTI) in Chantilly, Virginia, is number 19 among the 100 in terms of percentage growth—1,256 percent in the past 4 years. It's also number 7 in terms of dollar growth. CTI's sales went from \$2.4 million at year-end 1987 to \$32.3 million in 1991.

Their problem is one that many companies would love to have. Too much demand. After investing "\$4 million and three and a half years of my life" to develop electronic data interchange medical claims software, Mr. Beltran says, "we have a backlog of \$150 million in new contracts." His immediate plan is to ramp up for that demand by raising \$10 million through a private placement next January, then raise

TOP 10 COMPANIES BY PERCENT GROWTH, 1987-1991

Company	1987 Sales (\$ Millions)	1991 Sales (\$ Millions)	Percent Increase	Description
1. ... MVM Inc.	\$42	\$24.17	5,679%	Investigative/Security Services
2. ... Martinez Constr. & Devel. Co.	14	6.55	4,647	General Contracting/Concrete Supplies
3. ... Mevatec Corporation	25	9.06	3,478	Aerospace Engineering Services
4. ... Deneba Systems Inc.	32	8.44	2,540	Microcomputer Software Manufacturing
5. ... Venntronix Corporation	11	2.71	2,418	Engineering
6. ... ProServe Corporation	35	8.26	2,251	Food Service Management
7. ... Mazal Fuel Company Inc.	34	7.42	2,109	Gas/Diesel/Jet Fuels Manufacturing
8. ... H.J. Ford Associates Inc.	25	5.15	1,945	Systems Engineering/Integration
9. ... Trandes Corporation	16	3.14	1,901	Transport Engineering/Logistics/Mgmt.
10. ... Nelson Maintenance Services	57	11.00	1,839	Janitorial/Painting Services

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TOP 10 COMPANIES BY SALES

Company	1991 Sales (\$ Millions)
1. ... Troy Ford	\$153.62
2. ... Cal-State Lumber Sales Inc.	147.36
3. ... Mexican Industries in Michigan Inc.	75.00
4. ... Advanced Sciences Inc.	47.28
5. ... Suram Trading Corporation	43.00
6. ... Vincam Group (The)	43.00
7. ... Comprehensive Technologies Intl. Inc.	32.30
8. ... Pharmed Group	31.81
9. ... Popular Ford Sales Inc.	27.44
10. ... MVM Inc.	24.17

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100 FASTEST GROWING COMPANIES

more within the next two to three years by going public.

Like many of the 100, Mr. Beltran emphasizes that CTI continues to grow with lightning speed because they stay focused on "identifying those niche markets where we can be most effective." Specifically, CTT's niche is "electronic commerce"—the job of automating and integrating the functions of a business to facilitate information sharing.

The office of the future, Mr. Beltran predicts, will be built on four technologies that make electronic commerce possible: electronic data interchange, including his own medical claims software; the ability to image or scan documents into computers; computer networks; and database software. It's on these niche information technologies that Mr. Beltran has staked out his company's future.

TOP 10 COMPANIES BY DOLLAR GROWTH, 1987-1991

Company	1987 Sales	1991 Sales (\$ Millions)	Increase
1. ... Cal-State Lumber Sales Inc.	\$8.10	\$147.36	\$139.26
2. ... Troy Ford	36.02	153.62	117.60
3. ... Mexican Industries in Michigan Inc.	20.50	75.00	54.50
4. ... Vincam Group (The)	4.70	43.00	38.30
5. ... Advanced Sciences Inc.	9.76	47.28	37.52
6. ... Suram Trading Corporation	9.00	43.00	34.00
7. ... Comprehensive Technologies International	2.38	32.30	29.92
8. ... Popular Ford Sales Inc.	2.23	27.44	25.21
9. ... Pharmed Group	7.75	31.81	24.06
10. ... MVM Inc.	0.42	24.17	23.75

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Niche? That's the usual term, although in these circumstances it sounds too insignificant. Maybe the word "wedge" would better depict Mr. Beltran's intention to form the leading edge of a huge new business market.

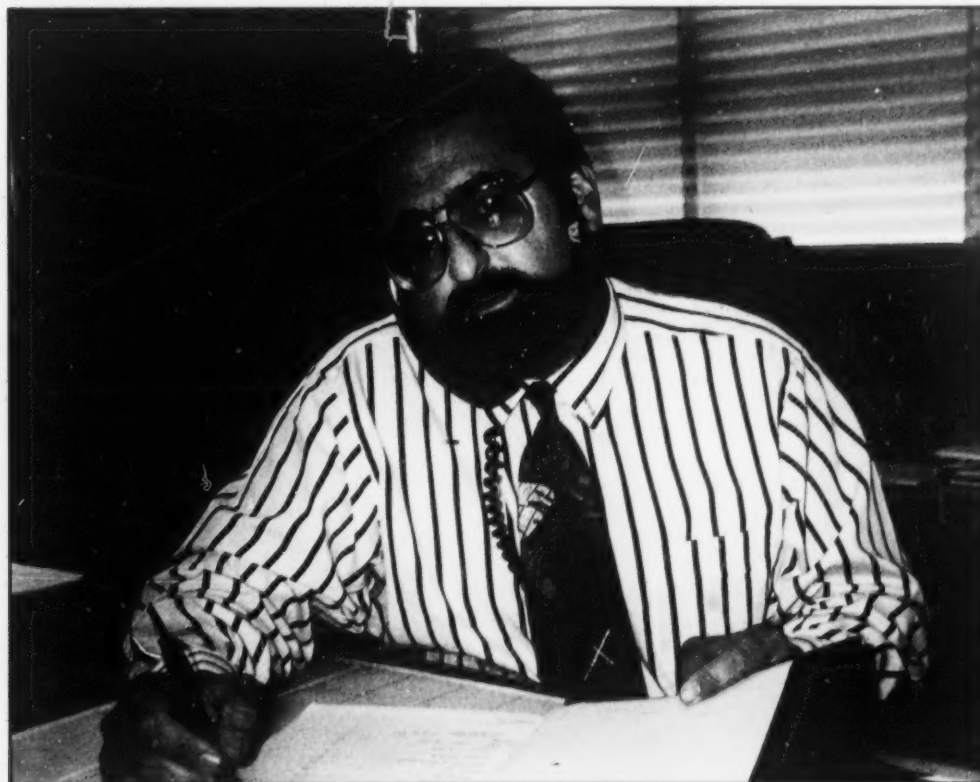
Vern Martinez built his niche in concrete. "We found this great little niche making and pouring concrete for tunnels and bridges," exclaims the dynamic CEO of Martinez Construction and Develop-

ment Co. in Aurora, Colorado. With sales of \$6.5 million in 1991—up from \$130,000 in 1987—his company has grown 4,647 percent over the past four years and places number 2 on the 100.

Mr. Martinez's niche is nothing small. His first big project, for example, was for 180,000 cubic yards of concrete to complete the last section of Interstate 70 through the Rockies, one of the longest tunnels ever built in this country. At the savings of \$15 a cubic yard that Mr. Martinez offered compared with the project's previous going price, he quickly became popular. That project led to similar work on a tunnel in Hawaii, and to subsequent requests for bids on other big scale concrete projects nationwide.

Deneba Systems CEO Manuel Menendez in Miami found his market "slot," as he prefers to call it, in developing software for Macintosh computers. Sales of his "Canvas" precision drawing program for technical illustration

How could a company that sells a commodity product build a market niche? With quality service, says Ralph Mazal, president of Mazal Fuel, number 6 on the fastest growing list.



100 FASTEST GROWING COMPANIES

"continue to fuel most of the company's growth," Mr. Menendez says. With sales growth of 2,540 percent between 1987 and 1991, up from \$320,000 to \$8.4 million, Deneba Systems is number 4 on the fastest growing list.

H.J. Ford Associates is another company that chose to be big in a limited field. At number 8 on the fastest growing list, they're America's leading contractor of high technology computer engineering for remote controlled robotics. It's a narrow focus that pays deep dividends, says CEO Jorge Alducin. "We selected our market area very carefully." Revenues have leaped in four years from \$252,000 to \$5.1 million, for a 1,945 percent increase.

Even though all of the companies on this year's directory have already experienced extremely rapid sales increases, some CEOs report they've just begun to grow. Jim Brusse, CEO of Trandes Corp. (number 9), an engineering, logistics, and computer science management firm in Lanham, Maryland, expects \$13 million to \$14 million in revenues this year. That's a tremendous increase from \$3.1 million in 1991 and \$157,000 in 1987.

But it seems like a sure thing. Trandes recently won two new government contracts in competitive bidding. One is a five year, \$48 million contract with the U.S. Marine Corps for tactical software support. The other's a contract for repairs with the U.S. Navy, good for \$23 million over the next four years.

Ralph Mazal's top line strategy has been to grow by differentiating a product that is commonly considered a commodity.

His Mazal Fuel company (number 7) competes for share by offering superior quality. Tactics, for example, include offering to sell all petroleum products at prices fixed for as long as a year. The quality Mr. Mazal offers in this case is unique security for the customer. The downside risk to himself? Minimal, he says, since he buys fuel futures. And while the strategy may shave something off his potential profits if the market price rises during the year, the



"We have just begun to grow," says James Brusse, president of Trandes Corp., which is already the ninth fastest growing U.S. Hispanic company with 1991 sales of \$3.1 million. Projected 1992 sales: \$13-14 million.

PERCENTAGE OF TOTAL SALES BY INDUSTRY

Industry	Sales (\$ Millions)	1991 Percent
Service	\$423.26	34.29%
Retail	250.65	20.31
Wholesale	244.60	19.82
Manufacturing	151.45	12.27
Construction	119.61	9.69
Transportation and Utilities	17.89	1.45
Finance	26.77	2.17
Total	\$1,234.24	100%

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TOP 10 BY EMPLOYMENT GROWTH, 1987-1991

Company	1987 Employees	1991 Employees	Percent Growth
1. .. ProServe Corp.	10	472	4,620%
2. .. MVM Inc.	20	798	3,890
3. .. Jesse Fence and Construction Co.	2	71	3,450
4. .. Valor Financial Group	7	213	2,943
5. .. Trandes Corporation	6	153	2,450
6. .. Proteus Corporation (The)	4	75	1,775
7. .. H.J. Ford Associates Inc.	5	76	1,420
8. .. Hernandez Engineering Inc.	24	345	1,338
9. .. C.P.F. Corporation	21	300	1,329
10. .. META Inc.	10	130	1,200

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100 FASTEST GROWING COMPANIES

benefit comes in the top line—sales volume. That has grown at a compound annual rate of 117 percent since 1987, up from \$3 million to \$7.4 million.

Yet at this time next year we'll be removing Mazal Fuel from the fastest growing list. Not that there's a problem. Far from it. Mr. Mazal says he's creating a new holding company that will service Mazal Fuel (mostly commercial clients), as well as his Economy Fuel Company (100 percent residential),

and another company he owns that manufactures small leather goods.

Superior service is how Joseph Aragon captures top-line growth. As CEO of Denver's ProServe Corp., which serves millions of cafeteria meals each year, he keeps on winning awards for service from a predominantly military clientele. And not surprisingly he keeps on winning important new contracts, including a recent one with the U.S. Air Force Academy in Colorado Springs. Savoring 1991 sales of



Larry Ybarrondo's company, Boise-based Scientech Inc., specializes in a fast growing field—environmental safety and waste management. Company sales increased from \$1.2 million in 1987 to \$15.5 million in 1991.

INSIDE THE 100

NUMBER OF COMPANIES BY INDUSTRY

Service	45
Construction	17
Manufacturing	15
Retail	8
Finance	5
Transportation and Utilities	5
Wholesale	5

Total Sales 1991\$1,234.24 Million

Total Sales 1987\$197.81 Million

Percent Increase 524%

Avg Sales/Employee 1991\$81,136

Avg Sales/Employee 1987\$65,914

Percent Increase 23%

Total Employees 1991 15,212

Total Employees 1987 3,001

Percent Increase 407%

NUMBER OF COMPANIES BY PROFIT RANGE

16% or More	15
6% - 15%	39
2% - 5%	38
0% - 1%	3
Loss	2
No Answer	3

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100 FASTEST GROWING COMPANIES

\$8.3 million, up from just \$351,000 in 1987, ProServe has grown 2,251 percent in four years and ranks 6 on the fastest growing directory.

So it's a fixation on sales over near term profits, on finding the right niche, on quality: these three themes twist like threads through the stories of all these rising companies.

They also tend to cluster most in just four states. More than half are headquartered in California, Florida, Texas, and Virginia. While most of the Virginia companies are government contractors, it's not that government is a growth sector. It's that they've taken advantage of the government's new personnel and budgetary constraints to create niches for themselves as outside resources.

And 45 of our top growth companies operate in the service sector. Of the eight financial services companies listed in the **HISPANIC BUSINESS 500**, for example, five

made the fastest growing list.

These 100 companies are also employing more people in a year of widespread layoffs. They employ 15,212 people, by comparison with 13,636 for last year's listing, while actually increasing productiv-

ity—sales per employee—from \$80,826 in 1990 to \$81,136 in 1991.

The **HISPANIC BUSINESS** fastest growing 100 are the creme de la creme of entrepreneurs. They're role models. And they deserve wide recognition. 

TOP 10 COMPANIES BY SALES/EMPLOYEE 1991

Company	Sales/Employee (\$ Millions)
1. ... Suram Trading Corporation	\$6.14
2. ... High Coffee Corporation	1.88
3. ... Plastec USA	1.80
4. ... Cal-State Lumber Sales Inc.	1.44
5. ... Troy Ford	1.41
6. ... Mazal Fuel Company Inc.	1.24
7. ... Beagle Products Inc.	0.87
8. ... Best Meridian Insurance Company	0.78
9. ... JCI Distributors	0.67
10. ... PCI International Inc.	0.54

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"We selected our market area very carefully," says Jorge Alducin, president of H.J. Ford Associates. Their area: the nation's largest contractor for remote controlled vehicles.

Who Counts Here

Firms that qualify for the **HISPANIC BUSINESS** directory of 100 fastest growing companies have to satisfy a number of criteria. Each company must be at least 51 percent Hispanic owned. Company ownership must be in the hands of U.S. citizens. And to be listed the company must be headquartered in one of the 50 states or the District of Columbia.

Sales are measured over a four-year period to weed out firms that don't survive the difficult start-up phase. And the minimum baseline for 1987 sales is \$100,000, to avoid inclusion of companies that show phenomenal growth just because they started from a very low base.

Data are provided directly by the CEOs of the companies themselves.



DIRECTORY

Rank	Company/Location/Type Business	Sales Growth 1987-1991		Gross Sales*		Profit Range**		No. of Employees		Year Started
		Percent Increase	Compound Annual Rate	1987 (\$ Million)	1991 (\$ Million)	'87	'91	'87	'91	
1	MVM Inc. , Falls Church, VA Investigative/Security Services	5,679.29	175.72	\$0.42	\$24.17	EE	CC	20	798	1979
2	Martinez Construction and Devel. Co. , Aurora, CO General Contracting/Concrete Supplies	4,647.10	162.48	0.14	6.55	CC	BB	3	25	1976
3	Mevatec Corporation , Huntsville, AL Aerospace Engineering Services	3,478.30	144.58	0.25	9.06	EE	CC	35	75	1985
4	Deneba Systems Inc. , Miami, FL Microcomputer Software Manufacturing	2,540.28	126.68	0.32	8.44	AA	AA	9	58	1986
5	Ventronix Corp. , Roslyn Heights, NY Engineering Services	2,418.46	124.02	0.11	2.71	EE	BB	6	65	1985
6	ProServe Corporation , Denver, CO Food Service Management	2,251.38	120.21	0.35	8.26	CC	CC	10	472	1984
7	Mazal Fuel Company Inc. , Bridgeport, CT Gasolines/Diesel/Jet Fuels	2,108.64	116.79	0.34	7.42	CC	CC	4	6	1977
8	H.J. Ford Assoc. Inc. , Arlington, VA Engineering & Computer Related Services	1,944.54	112.64	0.25	5.15	BB	BB	5	76	1981
9	Trandes Corporation , Lanham, MD Transport Engineering/Logistics/Management	1,901.10	111.50	0.16	3.14	BB	BB	6	153	1980
10	Nelson Maintenance Services Inc. , Yonkers, NY Janitorial/Painting Services	1,839.73	109.86	0.57	11.00	DD	CC	200	350	1976
11	Cal-State Lumber Sales Inc. , San Diego, CA Wood Product Sales	1,719.30	106.53	8.10	147.36	BB	BB	26	102	1984
12	PCI Int'l Inc. , Lafayette, LA Chemicals, Petrochemicals, Specialty Chem. Mfg.	1,684.90	105.54	0.15	2.71	AA	BB	3	5	1981
13	Dial-A-Mattress , Long Island City, NY Mattress Sales	1,532.00	100.99	1.25	20.40	BB	CC	18	150	1977
14	Operational Technologies Corp. , San Antonio, TX Environmental Engineering Services	1,491.34	99.73	0.42	6.68	AA	CC	10	126	1986
15	Reyce Construction Co. Inc. , Tampa, FL Industrial/Commercial Construction/Renovation	1,467.59	98.98	0.38	5.98	AA	AA	5	20	1987
16	Roto Industries , Anaheim, CA Automated Refuse Container Manufacturing	1,426.72	97.67	0.79	12.00	EE	BB	25	68	1979
17	La Agencia de Orcl & Asociados , Los Angeles, CA Advertising Agency	1,376.23	96.01	0.20	3.01	BB	—	5	40	1986
18	Nueces National Bank , Corpus Christi, TX Commercial Bank	1,266.17	92.25	0.18	2.43	AA	AA	38	30	1973
19	Comprehensive Technology Int'l Inc. , Chantilly, VA Software Development/Systems Integration	1,255.78	91.89	2.38	32.30	CC	CC	43	525	1980
20	Hernandez Engineering Inc. , Houston, TX Engineering Services	1,249.55	91.67	1.24	16.79	EE	CC	24	345	1983
21	Sciencetech Inc. , Idaho Falls, ID Environmental Safety/Waste Management	1,164.28	88.56	1.22	15.48	BB	BB	23	250	1983
22	Popular Ford Sales Inc. , Brooklyn, NY Automotive Sales and Service	1,132.78	87.38	2.23	27.44	CC	CC	51	69	1980
23	Valor Financial Group , Miami, FL International Life/Health Insurance Sales	1,066.67	94.81	0.75	6.75	BB	BB	7	213	1976
24	META Inc. , Miami, FL Computer/Environmental Management Services	1,061.50	84.61	0.90	10.50	BB	CC	10	130	1980
25	Compu-Centro USA Inc. , El Paso, TX Computer Products/Communications	1,000.00	82.12	0.20	2.20	AA	AA	2	15	1982
26	Proteus Corporation (The) , Albuquerque, NM Government Computer Services/Engineering	973.78	81.02	0.38	4.12	BB	CC	4	75	1981
27	Jesse Fence and Construction Co. Inc. , Houston, TX Fence Manufacturing	918.45	78.64	0.76	7.74	EE	BB	2	71	1983
28	Certified Abatement Systems Inc. , Houston, TX Asbestos and Lead Abatement	917.18	78.59	0.35	3.51	BB	AA	10	25	1987
29	Carretas Inc. , Albuquerque, NM Pushcart Kiosk Store Design/Fixtures	900.00	77.83	0.20	2.00	—	—	3	30	1987
30	La Pizza Loca Inc. , Buena Park, CA Restaurant Chain	861.54	76.09	1.30	12.50	BB	BB	200	800	1986
31	Geo-Marine Inc. , Plano, TX Environmental/Engineering Services	846.56	75.40	0.38	3.62	EE	BB	8	57	1971
32	Vincam Group (The) , Miami, FL Employee Leasing	814.89	73.92	4.70	43.00	DD	CC	400	4200	1985
33	Delgado Erection Inc. , Phoenix, IL Structural and Ornamental Steel Erection/Welding	803.99	73.40	0.32	2.85	BB	BB	10	30	1985

**Profit Range: AA/16% or more; BB/6%-15%; CC/1%-5%; DD/0%-1%; EE/loss © Hispanic Business Inc. Reprinting or copying requires permission.



DIRECTORY

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		Percent Increase	Compound Annual Rate	1987 (\$ Million)	1991 (\$ Million)	'87	'91	'87	'91	
34	Beagle Products+ , Miami, FL Seafood Importing	766.67	71.58	1.50	13.00	BB	CC	3	15	1987
35	Testa Marketing Inc.+ , Bethesda, MD Advertising/Marketing Agency	725.53	69.51	0.27	2.21	CC	BB	3	10	1983
36	JCI Distributors , Miami, FL Airport Equipment, Baggage Conveyor System	706.00	68.49	0.25	2.02	AA	AA	3	3	1983
37	CPF Corporation , Washington, DC Janitorial Service/Painting	670.02	66.58	0.43	3.28	AA	AA	21	300	1984
38	Sherikon Inc. , Chantilly, VA Engineering/Systems Integration	658.05	65.93	1.77	13.45	EE	CC	16	193	1985
39	Cordeba Corporation , Los Angeles, CA Systems Development/Urban & Regional Planning	629.41	64.34	0.85	6.20	EE	CC	19	78	1982
40	Computer System Develop. Corp. , Chantilly, VA Software Development/Systems Integration	600.00	62.66	1.00	7.00	CC	AA	26	110	1984
41	Ramirez and Marsch Inc. , Hammond, IN Piping/Concrete Repair Contracting	589.48	62.04	0.75	5.15	BB	CC	15	25	1987
42	Inventiva Inc. , San Antonio, TX Advertising Agency	588.85	62.01	0.26	1.78	BB	CC	2	12	1987
43	Barri Electric Company Inc. , San Mateo, CA Electrical Contracting	588.71	62.00	0.78	5.40	EE	BB	5	25	1987
44	Royes Construction Inc. , China Hills, CA Construction/General Engineering	563.20	60.48	0.35	2.31	BB	BB	5	7	1987
45	McBride and Associates Inc. , Albuquerque, NM Computer Products/Services	547.70	59.53	2.62	17.00	BB	BB	5	35	1985
46	Dynamic Ocean Services Int'l Inc. , Houston, TX Customs Broker/Freight Forwarder	539.14	59.00	2.82	18.00	BB	DD	54	48	1973
47	Intra-American Found. & Drilling Co. Inc. , Phoenix, AZ Foundation Construction	521.73	57.91	2.24	13.95	DD	EE	18	103	1986
48	Modern Sanitation Systems Inc. , Newark, NJ Janitorial Services	518.18	57.68	1.10	6.80	EE	CC	80	261	1979
49	Naps Devel. Corp. , Washington, DC General Contractor	500.00	56.51	0.25	1.50	BB	BB	11	15	1986
50	GV Diversified Inc. , Bell, CA Engineering/Construction Management	500.00	56.51	0.20	1.20	EE	BB	6	23	1984
51	ITC Personnel Services , Houston, TX Personnel Services/Minority Recruitment	478.13	55.06	0.64	3.70	DD	BB	3	7	1985
52	NFT Inc. , Golden, CO Nuclear & Hazardous Waste Management	461.87	53.96	0.52	2.90	BB	BB	6	49	1984
53	Public Inc. , Buena Park, CA Trucking/Warehousing/Demolition	455.11	53.49	0.72	3.99	BB	BB	5	20	1981
54	Production Products , St. Louis, MO Aerospace Production/Textile Manufacturing	435.83	52.14	1.20	6.43	BB	BB	15	111	1977
55	Aguirre International Inc. , San Mateo, CA Research/Policy Analysis	422.42	51.18	1.91	9.97	BB	BB	30	65	1985
56	E. M. Castillo Construction , Seattle, WA General Contracting	421.77	51.14	0.88	4.59	CC	CC	10	30	1982
57	Intec Group Inc. , Fairfax, VA Architectural & Interior Design	420.34	51.03	0.25	1.27	DD	AA	5	7	1984
58	Super Tiles and Marble , Miami, FL Retail Tile/Marble/Related Products	398.96	49.46	2.01	10.03	DD	—	15	40	1984
59	O.R.A. Corporation , San Diego, CA Frozen Mexican Food/Manufacturing	393.24	49.03	4.08	20.10	BB	BB	79	225	1984
60	Ram Enterprises Inc. , Valencia, CA Aerospace Component Manufacturing/Distribution	391.03	48.86	1.45	7.12	AA	BB	7	14	1985
61	Horizon Telephone Systems Inc. , San Antonio, TX Telecommunication Systems/Wiring/Cabling	384.87	48.39	0.35	1.69	BB	AA	6	40	1986
62	Matrix Exhibits Inc. , Brentwood, TN Exhibits/Display Design/Construction	384.62	48.37	1.30	6.30	DD	BB	15	90	1986
63	JAK Construction Inc. , Falls Church, VA Commercial Interior Contracting	384.24	48.34	4.44	21.48	BB	CC	21	45	1982
64	Advanced Sciences Inc. , Albuquerque, NM Engineering/Environmental R&D	384.22	48.34	9.76	47.28	CC	CC	158	513	1977
65	Suram Trading Corp. , Coral Gables, FL Seafood Importing	377.78	47.84	9.00	43.00	CC	CC	4	7	1983
66	Rubio's Restaurants Inc. , San Diego, CA Fast Food Restaurant Chain	376.41	47.74	1.58	7.52	BB	CC	60	250	1983

**Profit Range—AA/10% or more; BB/6%-15%; CC/1%-5%; DD/0%-1%; EE/loss. +dba Windward Seafoods ++dba Testa Company Inc. © Hispanic Business Inc. Reprinting or copying requires permission.



DIRECTORY

Rank	Company/Location/Type Business	Sales Growth 1987-1991		Gross Sales*		Profit Range**		No. of Employees		Year Started
		Percent Increase	Compound Annual Rate	1987 (\$ Million)	1991 (\$ Million)	'87	'91	'87	'91	
67	HSG Prof. Window Cleaners Inc. , Los Angeles, CA Window Cleaning Services	374.04	47.56	0.25	1.20	BB	BB	16	30	1980
68	Total Terrain Inc. , Pueblo, CO Construction	362.20	46.62	0.55	2.56	CC	CC	12	28	1983
69	Azteca Construction Inc. , Rancho Cordova, CA General Engineering/Contracting	357.77	46.27	0.59	2.72	EE	BB	7	30	1980
70	El Taller Colaborativo P.C. , Union City, NJ Architecture/Engineering/Planning	349.53	45.61	0.16	0.72	EE	DD	3	12	1985
71	Fred Burgos Const. Co. Inc. , Montgomery, AL General Contracting	349.45	45.60	2.92	13.12	CC	CC	30	92	1972
72	JC Computer Services Inc. , Alexandria, VA Computer Services	345.50	45.28	0.60	2.69	AA	BB	16	50	1985
73	Sunstrand Electric Company Inc. , Elgin, IL Telephone/Fiber Optic Design/Installation	339.19	44.76	0.74	3.25	BB	BB	15	34	1975
74	Int'l Maintenance & Machining , Bartow, FL Precision & Production Machine Shop	336.03	44.50	0.13	0.57	BB	BB	3	11	1986
75	SpaceTec , Hampton, VA Engineering Services/Research	335.56	44.46	0.20	0.88	EE	CC	4	17	1985
76	Uniglobe Advance Travel , Denver, CO Travel Services	328.43	43.87	1.00	4.28	CC	CC	5	12	1986
77	Troy Ford , Troy, MI Automotive Sales and Service	326.47	43.71	36.02	153.62	DD	DD	99	109	1967
78	Court Courier Systems Inc. , Kenilworth, NJ Banking/Transport. Services	325.45	43.62	1.27	5.40	DD	BB	50	230	1978
79	Uni-Kem International Inc. , Harahan, LA Chemical Specialties Mfg.	320.60	43.21	0.19	0.80	EE	BB	2	10	1976
80	High Coffee Corporation , Houston, TX Coffee Importing/Distributing	319.89	43.15	2.24	9.42	CC	CC	2	5	1986
81	Jason International Optical Inc. , Elizabeth, NJ Optical Services	316.51	42.86	0.70	2.93	AA	AA	5	12	1983
82	Lucero Computer Products , Idaho Falls, ID Computer Sales and Service	311.29	42.41	3.00	12.32	BB	BB	6	25	1983
83	Pharmed Group , Miami, FL Pharmaceutical & Medical Distribution	310.49	42.34	7.75	31.81	CC	CC	9	83	1981
84	Plastec U.S.A. Inc. , Miami, FL Plastic/Chemical Sales	310.36	42.33	4.83	19.80	BB	BB	4	11	1985
85	J. Blanco Associates Inc. , Fair Lawn, NJ Pipe Hangers & Supports Engineering /Design & Fab.	303.25	41.71	0.19	0.76	BB	AA	3	5	1984
86	Cal Communications Inc. , Buffalo Grove, IL Telecommunication Sales and Service	300.00	41.42	0.15	0.60	DD	AA	1	12	1987
87	Shifa Services Inc. , Hackensack, NJ Janitorial/Landscaping Services	296.42	41.10	1.79	7.10	BB	CC	120	360	1980
88	L&M Technologies Inc. , Albuquerque, NM Engineering & Network Systems	294.50	40.93	2.50	9.86	CC	EE	70	200	1972
89	Advanced Data Concepts Inc. , Portland, OR Computer Software Engineering Systems	293.38	40.83	3.22	12.68	CC	CC	125	450	1979
90	Best Meridian Insurance Co. , Coral Gables, FL Life Insurance Carrier	279.15	39.54	2.68	10.15	EE	CC	9	13	1987
91	Celestial Travel Inc. , Leesburg, FL Travel Services	275.00	39.16	2.00	7.50	DD	CC	5	21	1981
92	Innovative Plastech Inc. , Geneva, IL Plastic Products Manufacturing	274.09	39.07	0.71	2.65	CC	BB	10	28	1985
93	N. Shore & Cen. Ill. Freight Co. , Forest View, IL Trucking Services	272.73	38.95	1.10	4.10	CC	BB	18	38	1930
94	Campos Construction Company , Omaha, NE General Contracting	272.47	38.92	2.06	7.68	CC	CC	25	40	1977
95	Fernandez and Assoc., P.C. , Denver, CO Accounting Services/Management Consulting	271.21	38.81	0.97	3.58	CC	CC	50	104	1976
96	Wolfberg Alvarez and Assoc. Inc. , Miami, FL Architect/Engineering/Interior Design	266.64	38.38	2.39	8.77	DD	BB	51	85	1976
97	Mexican Indust. in Michigan Inc. , Detroit, MI Automotive Trim Manufacturing	265.85	38.30	20.50	75.00	BB	CC	125	567	1979
98	Insultec Inc. , Santee, CA Asbestos Abatement	264.31	38.16	0.53	1.94	AA	AA	40	40	1985
99	Sound Electric Corp. , Bronx, NY Electrical Contracting	262.32	37.96	4.14	15.00	AA	AA	45	103	1981
100	Bona Real Estate #1 , Pasadena, CA Real Estate Services	255.53	37.32	0.52	1.86	CC	CC	60	115	1974

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Nelson Maintenance Services Yonkers, New York Nelson Gisbert, CEO

#10

By Yvonne Conde

Question: how many people does it take to clean New York's World Trade Center—those mammoth twin towers you could probably see from the moon? More than 150 maintenance people just in the public areas, 28 of them doing bathrooms. That's how many people Nelson Maintenance Services Inc. has on the job there seven days a week.

The work they do is worth \$6 million a year to Nelson Gisbert, Nelson Maintenance's sole owner and CEO. His seven year contract with the Port Authority of New York and New Jersey, signed in 1990, nearly doubled company revenues last year, from \$6 million to \$11 million. "We were already doing the PATH train for them, at more than \$2.2 million a year," Mr. Gisbert explains. "Then I competed for and won one phase of the Trade Center contract, for servicing the concourse level and its tenants." And finally, after the Port Authority initiated an aggressive minority participation program and set aside 16 percent of all sales in the towers for a minority company, Nelson Maintenance Services won the contract for other public areas, worth \$3 million annually.

It was enough to boost the firm to number 10 on the **HISPANIC BUSINESS** 100 fastest growing list for 1992.

But Nelson Maintenance isn't a one-tower company. They've been on the fast track for awhile, with compound annual growth of 110 percent a year since 1987. Also, "I'm already billing \$1 million a month this year," Mr. Gisbert calculates, which should boost revenues for 1992 to "possibly \$12 million plus. And I'm looking for annual sales of \$20 million in three to five years, with annual growth of 20 to 25 percent."

Founded in Yonkers in 1976 and now expanded into Greater New York, New Jersey, and Long Island, the 450-employee contract maintenance firm serves a juicy list of major clients. Among them: Con Edison in New York, AT&T, New Jersey Bell, American Express, and even the dreaded Internal Revenue Service, which

has been an employer since 1986 when Nelson Maintenance completed a one year probation period to demonstrate its qualification for a \$1 million-a-year contract.

"Even" the IRS? It's more like "especially." "The IRS is very prompt in payment," Mr. Gisbert confides lovingly. "To the point that I get paid my full amount within the current month. I can always count on money from the IRS."

Getting those contracts is what he excels at. To start with, "He doesn't know the word 'no.' Never heard it," chuckles Joy Crichlow, Con Edison's director of minority business development. "We were one of his first

large accounts. He started small, "but he just kept persevering, until today he is our largest cleaning contractor. He's a role model for many of my new vendors."

"Back in 1976," recalls the 46-year-old Cuban born CEO, who has a degree in economics, "I had worked for a couple of companies in the field. I felt I could do it better." So he borrowed \$1,000 from his mother to form his own firm, starting with post-construction cleaning, supermarkets, and small office buildings. His parents both contributed—a lot more than cash and moral support. "I used to have a constant struggle with them," he says. "I would say, 'Dad, take three men plus yourself to a job, and he would take two men plus himself so he could save on labor costs. My mother worked too. Physically cleaned.'"

So did he. "Actually, I enjoy cleaning, even today," he admits. Which is why people passing through the lobbies of buildings that Nelson maintains are bemused occasionally by the sight of a finely dressed executive busily pushing a broom.



Nelson Gisbert, CEO of Nelson Maintenance Services in New York, "doesn't know the word 'no'" when it comes to selling his company's product.

The list of services grew to include janitorial work, window washing, floor waxing, water proofing, steam cleaning, sand blasting, exterminating, mechanical maintenance, painting, landscaping, demolition, and minor construction.

But good services and hard work alone don't generate big contracts. Most important, says Mr. Gisbert, he got financial help from a minority bank, tapped into resources available to minority firms, attended trade fairs, and got federally certified as an 8(a) contractor. This opened the doors to city, state, and federal government agencies.

All good experience for Mr. Gisbert's more recent business venture in the fast growing field of asbestos and hazardous waste removal and lead abatement—Nelson Asbestos Removal Inc. Forecasting a more environmentally aware nation, he started the company in 1987 and is working on a novel process that suctions lead contamination to avoid releasing it into the environment. Now watch for it to grow. (I)



Cal-State Lumber Sales Inc.

San Diego, California

Benjamin Acevedo, CEO

#11

By Lansing Sebastian

With its base of operations south of San Diego, just a stone's throw from the Mexican border, Cal-State Lumber Sales is perfectly positioned to take advantage of growing trade between the United States and Mexico.

And take advantage it has. With sales of \$147 million in 1991, Cal-State Lumber is number 8 on the **HISPANIC BUSINESS 500**. The eight-year-old company is also number 11 on this year's 100 fastest growing list, with sales growth of 1,719 percent over the past four years alone. Meanwhile the company's work force has quadrupled, going from 26 to 102.

Cal-State was the baby of brothers Victor and Benjamin Acevedo—a baby that grew so fast it was in the throes of adolescent adjustments before they knew it.

First the company's basic business concept changed. "We were established as a broker of wood products," comments Mary Alice Acevedo, director of international relations and wife of Benjamin, the company's CEO. "Then in the course of doing business we discovered an untapped market both in this country and in Mexico for reasonably priced quality residential woodwork—wood moldings, door frames, door jams, and other similar products."

Their solution was to buy rough cut lumber from Northern California and the Pacific Northwest, then sell the lumber to plants in Mexico where it could be finished at a lower cost, buy back the finished products, and sell them on both sides of the border. "It's exactly that import/export aspect of the business," Ms. Acevedo says, "that has helped us to realize the tremendous growth we've experienced in the past five years."

The international aspect brought some headaches, too. Like other pioneers in cross-border business, Cal-State struggled to find efficient, reliable supporting businesses to accomplish its international operations. The company currently does business with 10 companies in Mexico, has about 10 major lumber suppliers in the

United States, and relies on the services of dozens of other businesses in both countries.

But cross-border freight service was one area where it seemed too chancy to rely on outside contractors, and the Acevedos ventured into their own freighting service. "Transportation is critical for our business," Ms. Acevedo explains. "For us to rely on other freighter services that might not value the timely delivery of our product as much as we do meant problems." Cal-State's investment in freighting now includes a fleet of 32 trucks with 100 trailers.

Another change was a reorganization of sorts, to put detailed logistical, inventory, and financial control systems into place. This work, which took about a year, allows the Acevedos "to take care of more of our business matters internally rather than rely on outside sources," says Ms. Acevedo. "It's because of this control that the quality of our services and products is top notch."

And finally, Cal-State had the daunting task of changing the basic image of their product. When the company first began doing business in Mexico, U.S. buyers tended to consider all wood products coming out of that country inferior, because many American companies sourcing in Mexico had traditionally dealt in low grade products. By becoming a source of high-grade wood channeled through Mexican companies, Cal-State has done much to improve the reputation of Mexican made wood products, and therefore to build a network of highly regarded suppliers and customers.

The first sell is always the hardest. "It all



Mary Alice and Benjamin Acevedo created a new international business system for their wood products company to meet an untapped market need.

started with one truckload of lumber," comments Jim Anthony, vice president of one lumber supplier—Sequoia Forest Industries in Dinuba, California. Picky about the quality of the companies he sells to, Mr. Anthony says he was impressed by the company's growth potential and commitment, and decided to take a chance. "Now, as they grow, we grow by supplying them," he says with satisfaction.

The most recent change for Cal-State is its \$12 million business selling sawdust as an energy source for public utilities. "We buy the sawdust from our Mexican clients, and use our trucks returning from Mexico to haul it," says Ms. Acevedo. "It works out almost perfectly because now our trucks are full both ways."

Also, we see almost limitless additional potential for the use of sawdust and shavings in recycled products," she points out. "We're just at the tip of the iceberg. It's a whole new sector of business we can tap into." ☐



Operational Technologies

San Antonio, Texas

Max Navarro, CEO

#14

By Maura J. Mackowski

Futurists predict that in the next century people will change careers, not just jobs, many times over. Which makes Max Navarro a 21st Century type, able to maneuver his environmental engineering services firm in and out of a variety of high tech endeavors as new opportunities arise.

That strategy has helped his company's revenues multiply 15-fold in the past four years, from \$420,000 at year-end 1987 to \$6.8 million last year, ranking it number 14 on the *HISPANIC BUSINESS* 100 fastest growing list for 1992.

Operational Technologies Corp. started life in 1986 as a psychometrics service, developing vocational tests for the military. Although Mr. Navarro's background was in computers and manufacturing rather than psychology, his past experience was what secured Operational Technologies its initial track record on sizable government projects. And that track record, in turn, provided the momentum needed to shunt the business into other services.

Now, "Seventy percent of the staff works in our environmental division," says Mr. Navarro, "preparing environmental impact statements, and providing analysis and assessment of problems with underground storage tanks, endangered species, air quality, industrial hygiene, and contamination due to lead, oil, asbestos, and so on." The firm even employs an archeologist, required by law in many areas to evaluate relics unearthed during construction.

A second group works with what Mr. Navarro describes as "black box equipment." The client—again the U.S. government—and employees have been sent all over Europe and the Far East to install fiber optic and encryption devices.

Rounding out the staff of 130 is a division that harks back to Operational Technologies' beginnings. "The federal government offers grants to small firms doing research and development that might ultimately appeal to them," Mr. Navarro explains. "We're experimenting with a kind



Max Navarro (right), conferring here with environmental technologist Mack Henson, sees environmental engineering as an opportunity for the next 25 to 50 years.

of artificial intelligence, modeling and then creating the software to replicate the decision making factors involved in weapons acquisition."

High on the agenda now, he says, is getting government contracts down from 80 to 50 percent of their business. He started that initiative last year with a venture into yet another new field: "We bought a company in Baton Rouge, Louisiana that provides industrial hygiene support for chemical plants and oil refineries."

This environmental work could be the company's new mainstay. One hint of that is its apparent revenue potential. "We expected \$400,000 in revenues the first year, but hit \$1 million," the CEO reveals. Another clue is that Mr. Navarro has been appointed to the National Oceanographic and Atmospheric Committee of the U.S. Department of Commerce. He talks enthusiastically of the opportunities this appointment gives him to help shape policy on wetlands conservation, commercial fishing—even the computers the National Weather Service buys to process satellite data.

Domestically, he's confident the envi-

ronment will be a good market for at least the next 25 to 50 years, observing that "It's not a fad. Military bases are being phased out, and they can't just walk away from sites that have been in use since World War I or II. There's no telling what's been done to the soil and the buildings."

Mr. Navarro has no plans, though, to capitalize on the bottomless pit of environmental work that Eastern Europe is said to offer. "It's a risky market and those countries don't have the infrastructure to deal with it. You could sit on a bench over there for a year, waiting to get a contract, then wonder if they can pay," he reflects.

Keeping employees in the United States also sits very well with his banker. "Here in San Antonio, there are a lot of jobs that pay \$4.50 or \$5.00 an hour," says Oscar Rodriguez, senior vice president and manager for commercial lending at First Gibraltar Bank. "Max has been able to employ people at the mid \$20s to mid \$40s, and we know that almost all his contracts will employ professional people. I'd like to see a lot more companies that have only 100 workers, each making \$25,000 or more. That's good, quality employment." □



La Agencia de Orci & Asoc. Los Angeles, California

Hector Orci, CEO

#17

By Lansing Sebastian

In 1986 the husband-wife team of Hector and Norma Orci operated a Hispanic advertising "boutique" shop within a big national agency: McCann-Erickson. That was the year the couple decided they could do just as well or better on their own, and split off to form La Agencia de Orci & Asociados, headquartered in Los Angeles.

The truth was, they had something the big mainstream agencies didn't, and felt they might as well be building a client base for themselves. "As Hispanics, we experienced no real problems obtaining clients," Ms. Orci explains. In fact they took some along when they left McCann. "And we wanted to have absolute control over our destiny," her husband adds.

Now the speed of their growth as a premier ad shop is the talk of the trade in Southern California.

La Agencia's revenues have zipped up 1,376 percent over the past four years—from about \$204,000 in 1987 to \$3 million in 1991. Importantly, ad agencies talk about their size in terms of billings, which represent a bigger number than revenues because they include the cost to the client of advertising print space and air time, in addition to revenues (what the client pays the agency for its creative work to produce the ads). La Agencia's billings were \$22 million in 1991. Full time employees number 40, versus five in 1987, and thanks to ready clients and a little start-up nestegg, the company has been in the black from the beginning.

These results are based on some very high profile accounts—including American Honda, Nestle, Kentucky Fried Chicken, Anheuser Busch, American Express MoneyGram, Mattel, and World Vision.

But why has this couple been so successful, so fast? "We know our market intimately," says Ms. Orci. "Our staff is bilingual and bicultural. Many of the personnel on our staff are Hispanic. It is important that our employees understand

the products we create the advertising for, and that they understand the consumers we aim them at." For this target market, she points out, "It takes more than simply stringing together a bunch of words to make an ad campaign successful."

And, says Ms. Orci, "we hire the best creative and business people we can, then keep them sharp through a disciplined approach of research and comprehensive marketing strategies."

The combination of market knowledge and professionalism was very important to

American Honda, a lucrative account that now serves as a cornerstone of the young agency's business base. American Honda was keenly aware of the cultural rift between the Hispanic and Japanese communities, says the company's senior manager of National Automobile Advertising—Eric Conn. Honda knew they needed "specialists" if they were going to tap the fertile Hispanic market.

"We wanted expertise in ethnic advertising," Mr. Conn recalls, "so we began looking at qualified shops outside our own ad department and narrowed the field to about eight. We envisioned our campaign not so much emphasizing our product as highlighting our community involvement," he explains, and "that's where La Agencia de Orci & Asociados came in. Their being a family-owned company was a plus in our eyes, and they had international experience to boot. That, plus their 'small shop' enthusiasm made our decision to go with them the right one."

Equally important in La Agencia's past



Hector and Norma Orci's fast success with La Agencia de Orci & Asociados in Los Angeles reflects corporate demand for specialized expertise in advertising to the Hispanic market.

and future growth is that they can function freely in an increasingly international Hispanic market.

We were both experienced advertising execs in Mexico before coming here, and that has given us an edge in working with accounts on an international level," Ms. Orci explains. "We've moved beyond the borders of this country and have tapped into the wealth of opportunities outside the United States." For the future, they see international business becoming a critical objective not just for major corporations but for the "average" American company as well—a trend that can only fuel more growth for La Agencia.

Another area that La Agencia has penetrated is the U.S. government. "We were fortunate to obtain the job of generating publicity for the Immigration and Naturalization Service's recent amnesty program," says Mr. Orci. "It was a unique opportunity for us, and because of the scope of the program, we had to produce our ads in 48 languages." That's diversity. □



Scientech Inc.

Idaho Falls, Idaho

Larry Ybarrondo, CEO

#21

By Maura J. Mackowski

When Larry Ybarrondo hires somebody for Scientech Inc., he wants a person who takes risks. Not risks with the nuclear materials and hazardous wastes his company handles; career risks.

"I look for entrepreneurs," he says, "not 8-to-5ers. They won't take your business to \$25 million." That's exactly where Scientech's 200-plus employees HAVE taken the firm, up from \$3 million in revenues four years ago—placing it at number 21 on the **HISPANIC BUSINESS 100** fastest growing list for 1992.

Risk taking employees, beginning with one Ph.D. specializing in nuclear engineering, have taken Scientech out of the Ybarrondo home and into 13 offices in seven states and Washington, D.C. They now handle four divisions serving four different markets: nuclear safety, environmental analysis, computer and site security, and classified hardware engineering.

The next place the Idaho Falls CEO wants his team to go is undoubtedly the riskiest yet. Certainly the most remote. He has signed an agreement with the Ukraine to form a joint venture in Eastern Europe, to be called EcoScientech.

Is Scientech Inc. ready for that risk?

In answer, Larry Ybarrondo can point to the risks he has already taken. First off, he braved financial peril in 1983 by departing his number two spot at the Idaho National Engineering Laboratory (INEL), where he supervised 1,500 people and managed a budget of \$150 million. Then came his decision to share ownership of the company, the risk of putting some of the power into someone else's hands.

"Around 1987 I had 15 or 20 people and we were doing well, but I owned it all," he explains. "A friend wanted to come in as a partner. I did some calculations and figured that if I stayed in complete ownership, the company would grow by 50 percent. If I gave up some stock, I could double it. I gave up a substantial share—and the business tripled."

Seeing the results of that educated

gamble, Mr. Ybarrondo decided to share the pains and gains of risk-taking with his employees too. Scientech adopted an Employee Stock Ownership Plan. Currently employees own 44 percent of the business. "They're on the way to total ownership," he adds.

Where he has never gambled is in picking Scientech's clients. "From the day I incorporated, my goal was to be 50-50 in terms of government versus private business," he says. "We've always stayed close to that. In 1991 we slipped to 85 percent government work, but we're pulling that back now."

Mr. Ybarrondo made some other marketing decisions early on. Pricing was a key one. "We haven't lost a lot of contracts on price," he explains. "There are no company cars, condos, or country club memberships."

Being selective about work they sought was another key decision. Scientech turns down projects that don't meet the CEO's three standards: work that makes a difference, work that's fun, and work that's profitable.

Mr. Ybarrondo is sure that expansion into Eastern Europe will make a difference, and will probably have some elements of fun. But will it be profitable? "Should be," he believes. "I distinguish between being plucky and being stupid. We're looking at the training and safety business over there; we have no intention of dealing with hazardous materials."

A key reason for caution, he says, is the still shaky legal structure of the Ukraine. Liability for nuclear contamination and hazardous waste is a new concept. Who will pay for the cleanups and the damage?



Photo by Andrew Ratkind

Larry Ybarrondo employs only entrepreneurs, and believes a stake in the company helps them do their stuff.

"They look at you as the Yankee with the big pockets," Mr. Ybarrondo warns.

Even if he did want to jump into the nuclear cleanup business, those doors would probably not be open to a small American company, he feels. "It's a closely confined technology, and no one wants a bunch of yay-hoos going over there and disarming their nuclear weapons. I'm not even sure the Russians are going to let Americans see the color of their underwear at all."

Another flashing yellow light is the essentially worthless monetary system. It's not uncommon to be offered payment in titanium or natural gas or similar commodities. Hence Mr. Ybarrondo's advice to other would-be players to "think through the financing. Exercise the same caution as you would with an American company," he stresses. "Don't get caught up in the euphoria."

He'll tell you: there's such a thing as an educated risk. 



Beagle Products Inc. Miami, Florida

Rafael B. Puga, CEO

#34

By George Volsky

Most patrons of good restaurants in Seattle, Los Angeles, Chicago, and Boston who order swordfish or salmon entrees are eating fresh fish from Chile—imported and sold by Beagle Products Inc. of Miami.

With \$13 million in sales and almost 800 percent growth since 1987, Beagle Products is number 34 on the **HISPANIC BUSINESS** 100 fastest growing list. The company is America's biggest importer of swordfish (1.5 million pounds annually), and the third largest of salmon (2.5 million pounds), according to its Chilean-born owner, Rafael B. Puga. Beagle Products also imports 300,000 pounds of fresh seabass from Costa Rica every year.

And the volume's still building. Mr. Puga says he expects sales to jump another 15 percent in 1992, topping \$15 million. To handle that, the company will move this fall to its own 6,000-square-foot building, situated on a 27,000-square-foot lot. "We probably could sell \$20 million worth of fresh fish this year," the entrepreneur calculates, "but we prefer to grow at a steady annual rate of 10 to 15 percent. In these uncertain times it pays to be conservative and build a solid, reliable customer base."

The Beagle people import almost all of their fish by air, via daily flights to Miami from Santiago de Chile and Puerto Montt, 600 miles due south of Santiago. The 10-to-12-hour nonstop charter flights, which leave Chile in the evening, reach their destination next day in the early morning hours. One hour later, fish-filled containers are trucked on ice to Beagle's warehouse, which like its headquarters is located one-half mile from Miami International Airport.

Working practically around the clock, seven days a week, the company's warehouse personnel divide salmon and swordfish, packaged in 50- or 100-pound styrofoam containers, into shipments for individual clients around the country, all wholesalers. Fish sold to customers on the West Coast and in Texas and Illinois is

shipped by air the same day. Product purchased by clients in New England is sent in 20-ton refrigerated trucks to Boston where it arrives two days later. According to Mr. Puga, fish can be preserved fresh for 10 days when maintained at a temperature that's somewhere between 25 and 32 degrees Fahrenheit.

"The best quality fish come from the purest waters on earth, and that is in Rio Negro Bay near Puerto Montt," says Mr. Puga, who started his business seven years ago at age 28. This bay's fjords, he explains, duplicate the ecological and fish breeding conditions of similar fjords in Norway with their clean air and pure sea water, the latter due to constant high tide water recirculation.

Chilean swordfish, the biggest in the world, were once harvested by harpooning, later in nets. Now they can be delivered fresher because they are caught in gill nets, which are hauled full of live fish into the fisheries. Most of those caught in regular nets die asphyxiated long before they reach the shore.

Chilean salmon, on the other hand, are produced in huge Rio Negro Bay hatcheries that, according to Mr. Puga, are part of Chile's state-of-the-art fish processing and packaging industry. Chilean salmon, he says, now competes successfully with the traditional U.S. imports from Norway and the American farm-raised Atlantic variety. "There's a steady demand for fresh fish, which is more tasty than the frozen product," he notes. "But fresh salmon and swordfish are much more expensive because about



Chilean-born fish importer/distributor Rafael B. Puga handles between 4 and 5 million pounds of fresh fish each year.

30 percent of their price represents the high transportation costs involved."

Mr. Puga, who holds a degree in biology from the University of Chile, waded into the fish importing business by accident. Soon after arriving in Miami in 1978, he opened his own academy of English-language instruction, developing a copyrighted teaching method called "*Inglés Sin Barreras*" that still sells well on videotape.

Then one day a friend asked whether Mr. Puga could sell 40,000 pounds of fresh imported grouper. On a hunch—finding no buyers in Florida—he flew to California where he sold it in a few days. That taught him a little about local fish preferences and fresh fish importing, and he hustled back to Miami to change careers.

The business is interesting and profitable, but forces him to be a workaholic, Mr. Puga sighs, saying he works six days a week supervising his 30 employees and is always on call on Sunday. Nevertheless, he seems hooked. (I)



Advanced Sciences Inc. Albuquerque, New Mexico

Ed Romero, CEO

#64

By Steve Bergsman

For years Ed Romero has been shoveling the proceeds of his company's growth back into the business to fuel more growth. But now that he's past the \$50 million mark and sees \$100 million temptingly close, he's thinking it would all go much faster if he took the company public. Market conditions aren't right for a stock offering at this moment, he feels, but that could change.

And Mr. Romero, CEO of Advanced Sciences Inc. in Albuquerque, has very good instincts.

Back in the late 1970s when the world was hot for alternative energy sources, he sold solar products, building a nice \$3.5 million company. That business was all but reduced to cinders in the early 1980s, however, when Congress took away the tax credits for solar energy products.

Mr. Romero didn't dally, moaning about how the federal government had blistered his business. He found a few alternative resources of his own and quickly switched to the environmental arena. His idea was that waste management and related fields would become an important industry, and he was right on.

It was 1982 when he hired his first environmental engineer and won his first contract, to develop an environmental impact statement on a vineyard in southern New Mexico. Revenues from his multimillion-dollar solar products business had fallen to \$800,000 and the work force had declined from 50 to just eight.

This year his rejuvenated company—Advanced Sciences Inc.—will do about \$60 million in business, up from \$47 million in 1991. His work force now numbers over 500, and his company does business in 16 states. Projects include hazardous waste remediation management and technical support for the Department of Energy in Oak Ridge, Tennessee; an environmental impact statement for the DOE in Hanford, Washington; and environmental safety and health technical support for the Idaho National Engineering Laboratory.



Ed Romero (left), CEO of Advanced Sciences Inc. in Albuquerque, talks international business with Yashuhiro Nakasone, Japan's prime minister between 1982 and 1987.

And just this year Advanced Sciences began working abroad, helping companies in Argentina and Mexico measure their pollution problems. Mr. Romero is also looking to do similar work in the *maquiladora* area of northern Mexico.

"The export of our services is brand new to us and offers extraordinary opportunity," he observes. "In terms of pollution control, both Argentina and Mexico are where the United States was 10 to 20 years ago. If you can gauge the potential growth of the environmental industry in those areas based on past growth here in the United States, then the international opportunity for us is great."

It's not as if Advanced Sciences is abandoning the United States. The domestic market is still too lucrative. Although we have been trying to save the environment and improve waste management for many years, the U.S. pollution control market is still huge and growing. The price of that control, Mr. Romero estimates, will range from \$80 billion to \$200 billion within the next 20 to 30 years.

Still, domestic competition is proliferating, with "everyone and his uncle getting involved," the entrepreneur sighs. "With the demise of the defense budget, even the aerospace companies are getting into environmental work."

Not that they all do it as well as Advanced Sciences, which "has matured and focused its activities to the point where it's a formidable company in the environmental field doing its job extremely well," says client Francis Allhoff. "I know many of the senior people that Ed Romero has attracted to Advanced Sciences. He has put a good team together."

Mr. Allhoff is deputy associate general manager for the environment at EG&G's Rocky Flats plant—a former nuclear weapons facility now going into a restoration phase. Advanced Sciences, which has worked at the plant for almost eight years, does mostly "front end environmental work," which means "it investigates and defines the extent of the work to be done. Somebody else does the actual clean-up. Trust Mr. Romero to be up front. (T)



SunStrand Electric Co. Inc.

Elgin, Illinois

Bill Aguirre, CEO

#73

By Maura J. Mackowski

It's almost 2,000 miles from Elgin, Illinois to Big Sur, but somehow, somewhere, Bill Aguirre learned to hang ten. Surfing is about the only accurate metaphor for the way he steered what started as a construction firm through the maelstrom of phone industry deregulation and computer technology to create a company that "pulls" (installs) high-tech cables for the likes of Amoco, AT&T, IBM, and the U.S. Department of Energy.

SunStrand Electric Company Inc. shot from just under \$750,000 in 1987 revenues to \$3.3 million for 1991, and it's been a wild ride. "I started in the construction business with small rooms," Mr. Aguirre says, "then moved to houses, condominiums, and factories. When the AT&T divestiture happened, I had friends opening businesses who didn't know anything about pulling cable. The only people who had been doing it were the Bell companies. I thought, 'Why am I spinning my wheels with a profit margin of 3 to 4 percent, when the margins on those cable jobs are 50 to 60 percent?'"

SunStrand changed directions in 1981 to pick up communications cabling, fiber optics, and computer Local Area Network (LAN) design and installation. Demand has held so strong, Mr. Aguirre says, that he's had "no bad years yet."

Although they haven't always gone as planned. "In 1989 Bell abandoned all the cabling inside high-rises," he says, "and the responsibility for maintaining it fell back to the landlords. There were no records on the cables, and all the Bell technicians were pulled. We went to a software developer and told him we wanted a system that could track and manage existing systems and any changes. We spent thousands of dollars to come up with two systems, one for multiple tenants in high rises and one for PBX systems with a central phone."

The surprise was, "people didn't want to buy the software." What they did want was for SunStrand "to manage the systems

for them."

Even the recession didn't turn out as you'd expect. "In good times people buy equipment like crazy," Mr. Aguirre observes. But they do in bad times too. "People are still buying equipment and systems, but now they want computers that will save them money. They're trying to save by boosting their efficiency—so fewer people can do more work."

Figures from the U.S. Department of Commerce bear that out. According to government predictions in *U.S. Industrial Outlook*

1992, computer networking shows no signs of slowing, as companies downsize from mainframes to smaller PC-based systems, which still need to "talk" with one another. Revenues for LAN hardware sales grew 27 percent worldwide in 1991, to more than \$8 billion, and about 40 percent of all *Fortune* 1,000 PCs are connected to LANs.

Wide Area Networks (WANs), which typically connect LAN to LAN, are likewise expected to be a strong market. The telephone business is predicted to be a bit slower, with 2 to 3 percent growth overall. But high-tech switchboards and devices that allow services like call forwarding, distinctive ringing, etc. should be hot spots.

SunStrand wants a piece of that installation business, but not all at once. After doubling in size last year, Mr. Aguirre hopes to catch his breath, concentrating on the Chicago area, which generates 95 percent of SunStrand's business.

The firm's accountant, Joseph Rossi of McCullough, Rossi & Co. Ltd., believes that this laid-back attitude is a good idea.



Bill Aguirre, CEO of the SunStrand Electric Company, doubled the sales of his cabling and system management company last year.

"Bill Aguirre doesn't stress out," he says. "He takes what comes and doesn't overreact. With his success last year, he didn't run out and buy a fancy car or a big house, and likewise if things are bad, he knows that better times will come through his continued efforts."

Lest the people at SunStrand get too mellow, though, there are a few ominous waves rolling their way. One is wireless communication: LANs, PBXs, and portable computers that transmit and receive without a hard-wired connection. Then there are the overseas markets—dare SunStrand rest when the U.S. market is already seen by some industry watchers to be leveling off, even as Japan, which represents an estimated \$110 million worth of LAN business, remains dominated by mainframes?

Also, Mr. Aguirre points out, while he used to have three to five competitors on a bid, now he has 15 or 20. As defense contractors in particular look for business, many may eye SunStrand's piece of the action. Lucky their CEO is smart. 

Hispanic BUSINESS[®]

TECH GOES GLOBAL

The Top 40

*Rebuild LA
accelerates to
a fast crawl*

*Bush invites top 250 CEOs
to Rose Garden reception*

*Hispanics to
McDonald's: "Honey, I spent
\$1.1 billion on burgers"*



HIGH-TECH
Companies Grow
15 Percent

Hispanic BUSINESS

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recently named chief of
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Dr. C.E. (Tom) Velez, CEO of the
largest Hispanic high-tech company.

Photo by Jeff Watts.

Inset: Alvaro Villa, CEO of AVG Inc.

Cover design by
Buffalo Brothers Studios West.

Like the legendary Mr. Smith, Hispanic CEOs went to Washington last July 28. They went because President Bush and key Congressional leaders wanted to acknowledge their accomplishments. They also went because, like all Americans, they know they must become more and more involved with the public business of the nation.

On a beautiful July day in the Rose Garden, President Bush and the White House staff extended splendid southern hospitality. The President was laudatory in his remarks. He explained that the accomplishments of the Hispanic small business community—its productivity and competitiveness—illustrate the spirit of American business overall.

But these CEOs did not visit Washington just to receive commendations. As Mary Alice Acevedo of San Diego made clear to Ambassador Carla Hills in a hard-nosed comment regarding the free trade negotiations, these people had business on their minds. Ms. Acevedo's company, Cal-State Lumber Sales Inc., reached \$147 million in revenues last year, based largely on its fast growing international commerce with Mexico.

The fact is that small businesses like Cal-State can't afford not to be involved with government and elected officials. Even the smallest firms are affected by today's climate of excessive governmental oversight and regulation.

The strength of small business, besides its great impact on U.S. employment and on total business receipts, is its broad base. If only small firms could organize themselves into a powerful force capable of exerting influence at key governmental and political decision points!

That theme emerged strongly during the discussions of July 28. Now these leading Hispanic CEOs want—or have indicated that they want—to troop to Washington annually, as a group.

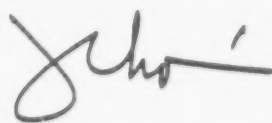
They want to meet with each other, discuss the issues that they confront as a group, focus on their common opportunities, and weigh possible common approaches. They want to be heard as a group.

And they *should* be heard.

The **HISPANIC BUSINESS** 500 CEOs can become a powerful voice for the U.S. Hispanic community. They have tended to relate to the workings of politics and government as individuals, concentrating on the immediate issues affecting their separate markets. But now, they're beginning to see, they can form a national group—one that can benefit from acting in unity to develop a broader influence on the public sector.

That was the excitement—and the promise—of July 28.

Certainly it is an option that will be explored in the coming months. And perhaps the pictorial story in this issue describing the group's Washington visit will convey how well Hispanic business leaders were received, inspiring others to join in.



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How did three Puerto Ricans from New York end up as leaders in San Francisco's school system? By coincidence, say (left to right) School Board member Dr. Carlota del Portillo, Superintendent of Schools Bill Rojas, and School Board member Fred Rodriguez.

Francisco. For this they receive a \$500 per month stipend. "Whether we need it or not," Mr. Rodriguez comments wryly. Superintendent Rojas is then responsible for executing the School Board's policies.

The biggest challenge facing them all is a shortage of money, combined with ever-swelling school enrollments—a combination of factors that sorely tests their determination to hold the line on educational standards. As Mr. Rojas points out, the financial problems have worsened even since this spring when he accepted his job. "There appeared to be solutions then...My predecessor Ray Cortines did a wonderful job of keeping the ship afloat while taking [budgetary cuts of] \$50 million in the past four years," he reflects.

"But now we are expecting a shortfall of \$22 million more, and the fat has already been cut. Class sizes are already high, there is little administrative support, and we have almost no counsellors and no elementary assistant principals."

His biggest nightmare is that the new cuts will have to come out of the teaching staff. "I have cut 200 positions by not replacing teachers who have retired," Mr. Rojas worries, "but I may have to lose even more positions." Nevertheless, he says, straightening visibly, "we will continue to provide quality education with the \$400 million that we have."

Board member Mr. Rodriguez is particularly concerned with the budget situ-

ation. "My experience on the School Board has been extremely frustrating," he confides, "because there has never been a commitment to the end result. While we

points out, there's hope with Mr. Rojas. "Bill Rojas is a tough administrator," he reminds us, "who is not afraid to bite the bullet and make the hard decisions."

are asked to deliver a quality system, we have limited tools to work with."

"And now Fred says he won't run again!" fellow Board member Dr. del Portillo wails. "I've tried everything—even bribery!" Mr. Rodriguez admits that, "Right now, I am not seeking reelection" because of frustration, "but I am looking to complete my commitment to the end of this year."

Former Superintendent Cortines also admits he won't miss the continual battle for money, a losing fight that forced him to cut \$17 million from the budget in 1991 alone.

With a growing Hispanic student population and shrinking budget, however, it seems more critical than ever to have Hispanics with a say in how the budget is spent. And as New York's optimistic Chancellor Fernandez

Top Hispanic School Superintendents

Hispanics head hundreds of school districts around the nation. Those in charge of the larger districts—and earning more than \$100,000 a year—are listed below.

We compiled this listing with help from the National Association of Latino Elected and Appointed Officials (NALEO). This information is difficult for them to obtain, say NALEO officials, because school superintendents in many states and school systems are appointed rather than elected. Additionally, in some states the title of "superintendent of schools" refers to positions with widely different levels of responsibility.

All the top people listed bear the title "superintendent of schools," with the exception of Joseph Fernandez. He is chancellor of New York City Public Schools.

NAME	CITY	ENROLLMENT	ANNUAL SALARY
Joseph Fernandez	New York, New York	973,000	\$195,000
Octavio Visiedo	Dade County, Florida	304,000	\$150,000
William Anton	Los Angeles, California	600,000	\$148,000
Waldemar (Bill) Rojas	San Francisco, California	63,000	\$120,000
Richard (Pete) Mesa	Oakland, California	52,000	\$115,000
Victor Rodriguez	San Antonio, Texas	60,000	\$112,000
George Garcia	Tucson, Arizona	58,000	\$110,000
Armando Henriquez	Monroe County, Florida	8,500	\$102,000
Mary Gonzales Mend	Stockton, California	33,000	\$100,000

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Gilbert Sandoval says he is happy where he is as chief of the Los Angeles Airport Police, and was never interested in the position as chief of the LAPD. Earlier, he retired from the LAPD after 21 years of service.

that my appeal would not be given any merit and that it wasn't important to the Civil Service Commission to include a Hispanic among the finalists."

Hispanic police chiefs around the country—who belong to the 300-member Hispanic American Police Command Officers Association (HAPCOA)—generally supported the Hispanic candidates for the LA position. "There are a number of qualified Hispanic command officers throughout the nation," declares HAPCOA head Chief Wilfred Navarro Jr.

of the Houston Airport Police. "They are just as qualified as Chief Williams."

The Hispanic chiefs had particular praise for Mr. Ortega. "Ruben [Ortega] had a great track record in Phoenix and would have done as well as Willie Williams," says Tampa Police Chief Eduardo Gonzalez. "I thought Ruben would have been a real contender," agrees Chief Louis Cobarruviaz of the San Jose Police Department. Chief Philip Arreola of the Milwaukee Police Department, too, says he "was surprised when I heard that Ruben did not make the final cut. He is a fine officer. I don't know Lee Baca."

Four of the Hispanic chiefs we spoke with say they were invited to apply for the Los Angeles position, either formally or informally. While Mr. Arreola had some preliminary interviews, he decided to remain in Milwaukee. And Mr. Rodriguez says he was approached by some Los Angeles community and business leaders just before it became apparent he would probably be named chief in Chicago. "I almost flew out there once," he recalls.

The timing wasn't quite right for Mr. Cobarruviaz either. "I was approached by a group of command officers and some

Hispanic citizens, who invited me to a reception in LA," he recalls. "I was scheduled to go, but I got the appointment here [as chief] just before, so I called and gave them my regrets."

Sam Baca, chief of the Lakeland, Florida Police Department, says he also was approached informally for the chiefs job in LA, but declined. Mr. Baca was the second Hispanic to head a major



Wilfred Navarro Jr., chief of Airport Police for the City of Houston, has been a police officer since 1950 when he joined the Houston Police Department.

police department, after Mr. Ortega in Phoenix. That position, which he held from 1985 to 1990, was in Albuquerque.

Mr. Arreola sums up the feelings of most of the Hispanic police officers involved. "It is important to recognize that these are not token appointments," he says grimly. Naming a Hispanic chief is "the appropriate statement to make in a city with a Hispanic majority population. If there is any city where that should have been done, it's Los Angeles."

Looking ahead, Mr. Cobarruviaz adds, "I hope in the future, when Chief Williams decides to retire, that Hispanics will finally be considered for the position." Although the recently passed reform legislation known as Charter Amendment F will not give Chief Williams the unlimited tenure that former Chief Gates enjoyed, he is practically guaranteed two five-year terms. Meaning: we will probably still be waiting as the third millennium rolls around. **Q**

Top Hispanic Police Chiefs

Name	City	Sworn Officers	Hispanic Officers	Annual Salary
Louis Cobarruviaz	San Jose	1,212	242	\$119,000
Matt Rodriguez	Chicago	12,500	960	\$104,000
Philip Arreola	Milwaukee	1,971	109	\$92,000
Eduardo Gonzalez	Tampa	818	87	\$86,000
Sam Baca	Lakeland, Florida	210	8	\$75,000
Gilbert Sandoval	Los Angeles Airport	216	28	\$64,000
Wilfred Navarro Jr.	Houston Airport	170	34	\$54,000

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The 1992 HIGH-

By Maura J. Mackowski

High-tech companies flourishing and expanding abroad, despite a lack of government policy.

Recession, taxation, foreign competition, defense cutbacks—the CEOs on our **HISPANIC BUSINESS** directory of the top 40 Hispanic owned high-tech companies have a lot on their minds this election year.

Above all, they tell us, they need a collective national policy behind them: a strong, clear policy like the one that drove Japan to the top of the consumer electronics heap. These are all companies involved in developing technologies or in manufacturing high-tech products. Right now almost half of them export their products to foreign markets, and within five years 86 percent plan to be selling/expanding overseas.

Their call for action isn't directed just at the presidential candidates. Decisions that can boost or break entire industries are made in Congress, and at the state and local levels too. Those who can't or won't help out, our high-tech leaders say, should at least avoid making things worse. After all, everybody's in this together.

"What is our long-term economic goal as a nation?"

Dr. Tom Velez is CEO of CTA Incorporated, a \$116 million company in the aerospace and avionics industries that placed number 1 on the 1992 directory of top Hispanic high-tech companies.



Photo by Jeff Watts

TECH Directory

HIGH-TECH Companies Grow

challenges Dr. C. E. (Tom) Velez. He is CEO of CTA Incorporated in Rockville, Maryland, a \$116 million producer of flight simulators, avionics, and aerospace software that placed number 1 on this year's high-tech directory and grew by \$26.4 million in 1991. CTA's major customer is a federal government that doesn't always seem to know where it's going.

"The Japanese," Dr. Velez reminds us, "have a stated goal of being the premiere supplier of electronics, information systems, and that kind of thing. The Europeans chose to be the leading suppliers of satellites and space launch vehicles. But our only national objective seems to be to 'lower the deficit.' Without a stated collective goal, it's sure hard to imagine that industry is just going to get together and develop one."

Lacking this national commitment to making America a technology leader, our high-tech entrepreneurs say they've been left to fight for survival on their own. They've done better than survive, with 15 percent overall revenue growth (for repeating companies that appeared on last year's directory as well). But for the many companies that have been expanding in the more-industrialized overseas markets, one of their biggest struggles as "loners" is just to get a foot in the door.

Fingers point every which way when it comes to placing blame for this problem. They point at foreign governments, trade unions, business associations, and simple national solidarity. But the fact is that technology consumers in other countries seem more committed than we do to buying from their own. America supplied 40 percent of the world's technology-based products in 1980, but that share is eroding and had already shrunk to 37 percent by 1988, according to the National Science Foundation's report, "Science and Engi-

The top Hispanic owned high-tech companies have never done better. Total revenues of the 31 companies that are repeaters from last year's High-Tech Directory showed a 15 percent increase between 1990 and 1991—up from \$639.2 million to \$735.5 million.

And what happened to the companies that didn't repeat from last year? They're doing even better, if anything. With the exception of one company that fell on hard times, they were omitted simply because we imposed a much more stringent definition of what constitutes "high tech" this year. In this way, we feel we can more truly moni-

tor the pulse of a sector whose fortunes may determine America's future viability as a global competitor—companies involved in cutting edge technologies and innovation.

We eliminated, for example, firms that are primarily retailers, wholesalers, or installers of high-tech equipment like computer systems. As it stands, our High-Tech Directory for 1992 includes only enterprises that either develop new technologies or manufacture high-tech products. They are involved in electronics, aerospace, telecommunications, or biotechnology, and a high percent of their work force is made up of scientists and engineers.

neering Indicators-1991."

Perhaps reflecting the greater protectionism of overseas markets, 89 percent of the companies on the High-Tech Directory say they import something (raw material, technology, or personnel) for their business—nearly twice the number who currently sell in foreign markets.

Target countries are "not unfriendly. But not friendly either," comments Guillermo (Bill) Fernandez Sr. His company—the Ferco Tech Corporation of Franklin, Ohio with 1991 sales of \$5 million—is number 19 on the high-tech directory. Ferco Tech designs and manufactures aircraft engine components for General Electric, Pratt & Whitney, Textron Lycoming, and other industry giants. A forceful push for international business has also won the company contracts with Italy's Fiat and Turbomeca of France that helped it grow about 25 percent last year, and Mr. Fernandez is negotiating his way into a deal involving a Spanish firm allied with Rolls Royce of the U.K.

But right now, Mr. Fernandez explains,

it doesn't matter to most European aircraft manufacturers whether an outsider could do the job faster, better, and at less expense. They don't want to hear about it. These companies typically make their own parts—for one reason. Jobs.

"Every country I've tried to deal with is more protective of its jobs than we are," Mr. Fernandez goes on. That's especially true in Germany, which with its historically strong trade unions has been his toughest nut to crack. "They don't even want to talk."

And if you think that's tough, try bashing at doors in Japan, says Dr. Leon Presser, owner of the fast growing Softool Corporation in Goleta, California. Softool, number 19 on the high-tech directory with 1991 sales of \$10 million, develops and sells configuration software that allows PC users to keep up with the changes in their applications software. Softool has made inroads recently all over Europe and in portions of the Pacific Rim. Dr. Presser says, but in Japan there are more barriers...if not stone walls. Japanese buyers almost invariably give their business

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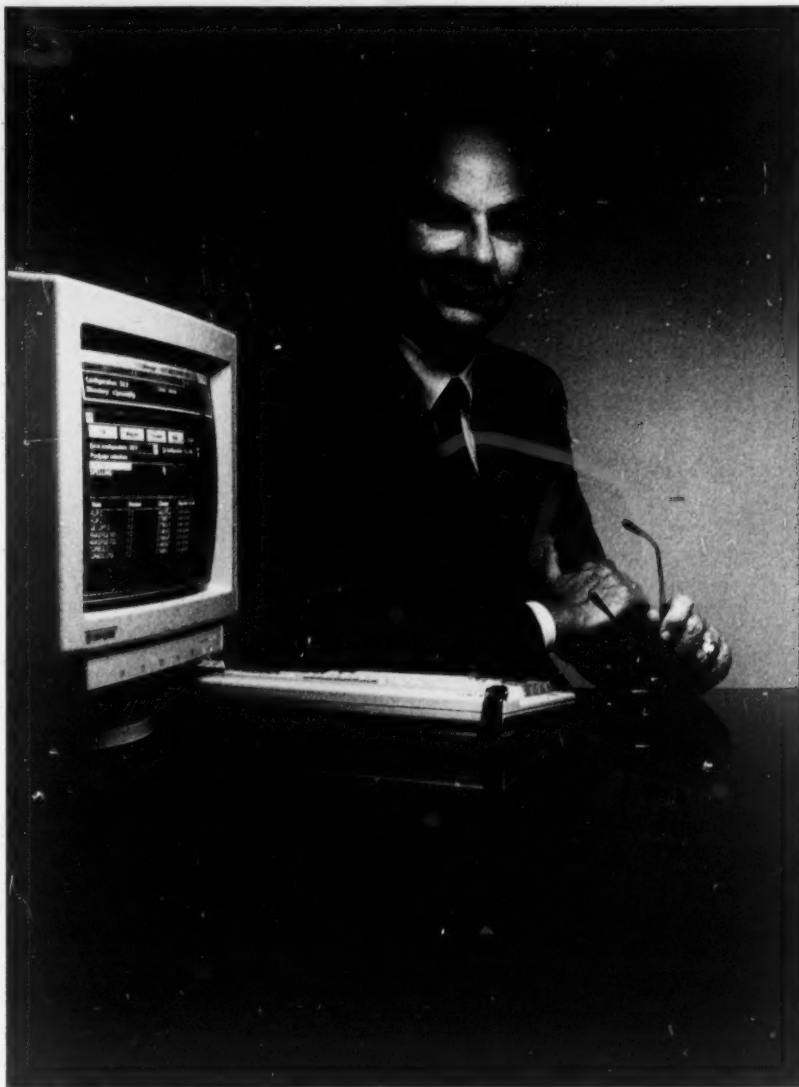
to a Japanese firm. Whether from a desire to keep jobs in Japan or just a commendable sense of national loyalty, it works to their benefit—but not to Softool's.

If foreign targets don't want to talk with outside suppliers, it seems that American contractors can't stop themselves from talking. "There's always an attraction to whatever is on the other side of the fence," Dr. Presser reflects, citing the bad feelings that erupted in California recently when the contract for a high-tech rapid transit system was initially awarded to a foreign firm instead of an American company. "Buy America First" is just as important in the policies of one's own home town as on Capitol Hill, he contends, citing another instance he witnessed firsthand where a county government wouldn't support its own high-tech businesses, even as the local tax base suffered through the resulting layoffs. "Not until it became critical did they realize they needed to improve and protect their own turf," he recalls.

"Even at the city level," Dr. Presser continues, "when high-tech start-ups apply for a license they might be asked how much revenue they expect in their first year, and then be told to set money aside in a frozen account to cover the taxes on that revenue. Public officials don't care that the company isn't even bringing in any money yet. They should in fact be saying, 'for the first year, we'll give you a tax break.'"

The one strategy that seems to work against foreign competition and protectionism comes straight from Marketing 101: develop an irresistible competitive advantage. Easy to say. Incredibly hard to do. But it's actually easier for technology and science based firms. The cutting-edge nature of their work—evidenced by their significant investment in research and development—almost guarantees they can provide goods and services that someone, somewhere doesn't already have.

AVG Inc. has a unique niche: designing and manufacturing the computer controls and robots that populate amusement



Softool Corporation CEO Dr. Leon Presser, who sells specialized software throughout Europe and the Pacific Rim, strongly backs a high-tech "Buy America First" policy.

parks. According to CEO Alvaro Villa, buyers from Taiwan, Korea, mainland China, and even Japan, have actively sought out his \$5.2 million Valencia, California-based firm to design the theme parks that are just beginning to catch on over there. —

AVG, which grew about 26 percent in 1991, has essentially no competition in the Far East, Mr. Villa says. That's because "the Japanese do very well in high-volume production, but when it comes to something as unique as this, it's hard for their system to allow them the flexibility needed. We can react to crises and create new and unique figures and shows from scratch."

Mr. Villa's emphasis on having the competitive edge also kept AVG out of the industrial robot market. "They're very expensive to make," Mr. Villa explains, "and

they have a lot of competition from human labor. It just wasn't a big enough business for us. And frankly, it was hard to do two things at once."

Dr. Velez at CTA Inc. says price will be the basis of CTA's strategy overseas. He thinks he has spotted a strong target market in the telecommunications arena and will be making a play for it in competition with some real heavyweights. "We just bought one of the leading developers of small satellites," Dr. Velez explains. "Combined with our background in command and control, we hope to get into telecommunications and radio broadcasting in places like South America, Africa, Indonesia, and the Pacific Rim."

He cites Indonesia as an example: a market of 30 million people living on an archipelago, they have so far been isolated

Photo by Bill Hoot

COVER STORY

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from telephone and radio communications.

The biggest roadblock Dr. Velez and the other growth minded high-tech CEOs anticipate is financing. Again, it's a political issue, because most feel that the federal government can and should be helping. While there is a tax credit for spending on commercial research and development, it's really just a credit for *increased* spending, covering 20 percent of the amount over and above the average spent in a specified base period.

The catch is that high-tech companies by definition already spend a hefty portion of their budget on R&D. Softool Corporation's expenditures, for example,

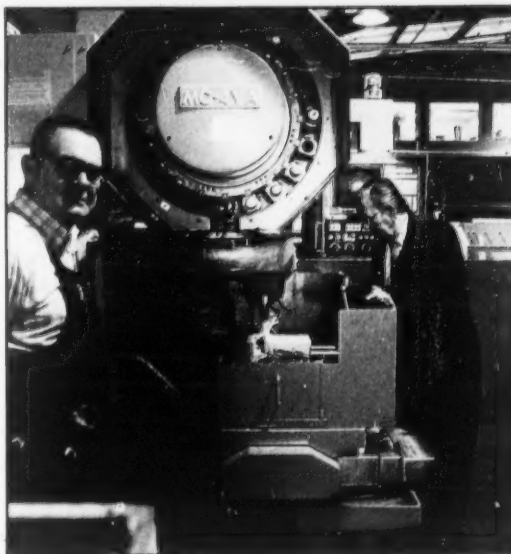
have stood at 42 percent for the past two years. AVG is "putting a lot of money into R&D this year, even to the detriment of our bottom line," Mr. Villa says. And while CTA has been holding to its ambitious R&D budget, with the recession "we tend to be spending more on near-term activities, more D than R," Dr. Velez admits. "That's bad strategy, but when the choice is bad strategy versus sheer long term survival, you see a lot of companies doing this."

In fact U.S. R&D spending overall has

been down or at best flat over the past few years, depending on the report you read. Yet the high-tech leaders are adamant they don't want tax credit legislation or any other decisions to be made without a cohesive industry strategy—without unified backing from the White House and Congress. As a group, they agree that willy-nilly legislation is almost fruitless. "Tax credit legislation gets kicked around by the strongest Congressman, who can get the most votes," Dr. Velez points out. "A national industrial policy is needed to help drive a tax policy."

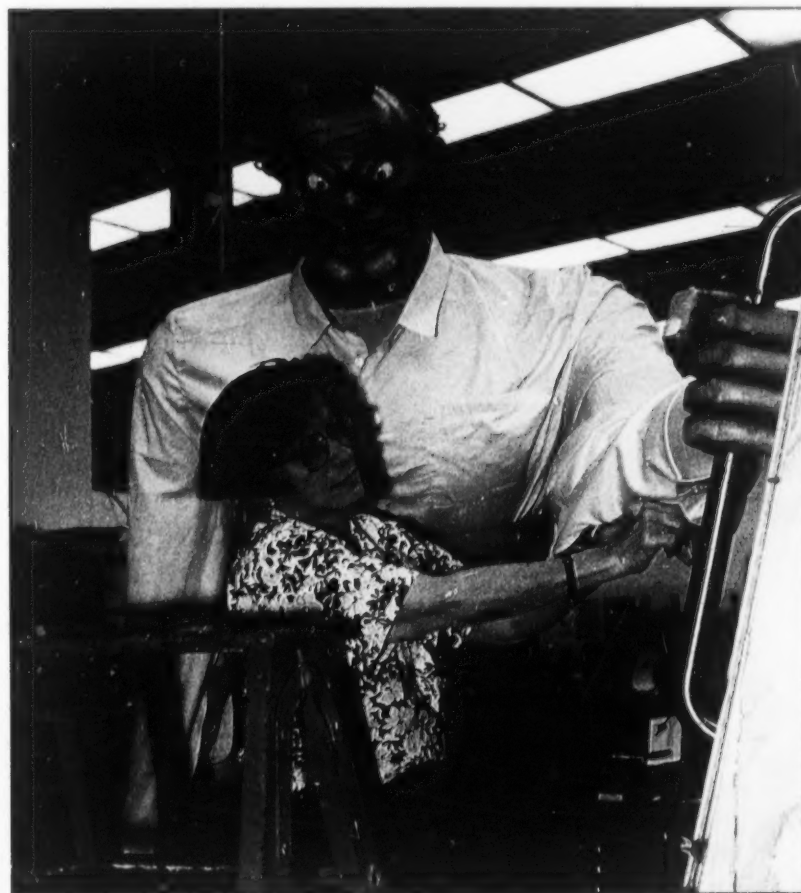
One thing such a policy should look at, Dr. Velez submits, is the group of research labs he says receive federal research contracts on a non-compete basis. "There are 20 or 30 federally funded R&D centers that were set up during World War II when there was a crisis and the country needed a strong R&D infrastructure," he explains. "Now thousands of people work for those centers, but they're basically civil servants." How, he wonders, can the government expect to foster private laboratories when they themselves offer federal study contracts on a non-compete basis?

Of all the factors that are sapping research spending these days, defense cutbacks have hurt high tech the most. There are fewer programs to bid for, and there's more competition from hungry defense contractors. Seventy-five percent of the top



Ferco Tech Corporation CEO Bill Fernandez (right) boosted revenues of his aircraft engine business 25 percent last year, partly through expansion in Europe.

Photo by Guy Sora



AVG Inc. costume maker Luz Elena Jaramillo outfits one of the fast growing company's newest amusement park robots.

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high-tech companies tell us they are or will be affected by the DOD cuts.

"The Defense Department is probably one of the biggest, best things that has happened to high-tech R&D, particularly for software," says Dr. Presser. "When they see a product that offers a solution to a problem, they recognize it and act quickly." In other industries like finance, he points out, they prudently wait until a software program is established and has become the industry standard before they risk their money. The point is that if it weren't for those DOD dollars at the beginning of the product's life cycle, it might never get to the commercial marketplace.

Another area where our growing Hispanic owned high-tech companies want movement is on the stalled free trade negotiations with Mexico. Unlike the highly industrialized markets of Europe and Japan, Mexico offers potentially vast "ground-up" opportunities for technological inroads and industrialization, beginning with telecommunications, computer systems and software, and environmental controls and remediation.

A full 44 percent of the top high-tech CEOs think their business will be affected by free trade with Mexico, mostly in the form of joint ventures and market development opportunities. Another 17 percent anticipate an impact from free trade with Canada, mentioning such benefits as freer technology exchanges.

None of this means that the **HISPANIC BUSINESS** high-tech CEOs want to see *more* government. What they *are* pressing for is a national government that has a driver behind the wheel. If we don't know our destination, Dr. Velez says in summary, it's premature to start pushing through incentives for this, tariffs for that, more money for science education, and laws for just about everything.

"We'd better begin to help each other close ranks," Dr. Presser warns. "If even one company goes out of business, it will eventually hurt you." 

What's Important to the HIGH-TECH CEOs

We asked the CEOs of the 40 top U.S. Hispanic owned high-tech companies about the importance to them of foreign trade, and about their views on specific potential governmental spending and legislative policies. As a group, these specialized entrepreneurs* believe both foreign trade and supportive legislation are important factors determining their future growth.

IMPORTANCE OF FOREIGN TRADE?

1. Do you currently import any raw material/technology/personnel?
Yes: 89 percent
2. Do you currently export your products or services?
Yes: 46 percent
3. Will you enter foreign markets or expand current international activities within the next five years?
Yes: 86 percent
4. Has/will the U.S.-Canada Free Trade Agreement affect you?
Yes: 17 percent
5. Will a U.S.-Mexico Free Trade Agreement affect you?
Yes: 44 percent

IMPORTANCE OF GOVERNMENT SPENDING AND STRATEGY?

1. Have you been or do you expect to be affected by the U.S. Government's defense spending cuts?
Yes: 73 percent
2. Where do you wish the U.S. Government to increase its spending?
 - Scientific research by private enterprise: 87 percent
 - U.S. space program: 84 percent
 - Education: 83 percent
 - Transportation system: 76 percent
 - Aid to defense contractors wishing to expand their non-military products or services: 74 percent
 - Health services: 68 percent
 - Scientific research by governmental agencies: 63 percent

- Social services: 53 percent
 - Foreign aid to Eastern Europe: 41 percent
 - Foreign aid generally: 30 percent
3. What's most important for your company's future growth?
 - Support to firms involved in commercial technologies critical to the U.S. competitive edge on the world market: 94 percent
 - Promoting "Buy American" in high-tech industry: 81 percent
 - Easing U.S. regulations on technology transfer: 78 percent
 - Supporting firms involved in defense technologies: 69 percent
 - Strengthening intellectual property laws internationally: 69 percent
 - Strengthening intellectual property laws in the U.S.: 65 percent
 - Increasing and implementing industrial pollution controls: 61 percent
 - Preventing uncontrolled dissemination of nuclear and scientific technologies in the former Soviet Union: 53 percent

POLITICAL LEANING?

Which presidential candidate best supports your goals as an entrepreneur and as a high-tech professional?

- George Bush: 41 percent
- Former competitor Ross Perot: 34 percent
- Bill Clinton: 6 percent
- None of the above: 19 percent

* Percentages are of CEOs responding to individual questions.
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Rank	Company	CEO	High-Tech Product/Service	1991 No. Sales Emps. \$Mil.
1	CTA Inc., Rockville, MD	C.E. (Tom) Velez	Product Devel. & Software Eng.	980 116.17
2	Colsa Corp., Huntsville, AL	Francisco J. Collazo	Computer Sim./Info. Processing	569 82.20
3	Infotec Development Inc., Santa Ana, CA	J. Fernando Niebla	Imaging Sys. & Software Test/Des.	750 68.90
4	RJO Enterprises Inc., Lanham, MD	Richard J. Otero	Systems Integ. & Solutions Imaging	550 60.90
5	Advanced Sciences Inc., Albuquerque, NM	Ed L. Romero	Aero./Environ. Sys. Eng./Des./Devel.	472 47.28
6	J.T. Slocumb Co., So. Glastonbury, CT	E. John Gregory	Aerospace Mfg. & Fabrication	429 39.45
7	Nat'l Systems & Research Co., Colorado Springs, CO	Celestino E. Archuleta	Systems Integ. & Software Design	572 35.80
8	Comprehensive Tech. Int'l Inc., Chantilly, VA	Celestino M. Beltran	Software Development	500 33.30
9	Magnet Industrial Group Inc., Milford, CT	John Soto	Aircraft Engine Parts/Comp. Disks	250 32.00
10	TAMSCO, Calverton, MD	N.R. Innerbichler	Systems Eng./Integ. & Telecomm.	442 30.26
11	Washington Consulting Group Inc., Washington, DC	Armando Chapelli Jr.	Information Systems Research	360 24.30
12	Hernandez Engineering Inc., Houston, TX	Miguel A. Hernandez Jr.	Spaceflight Operations/Integration	357 16.98
13	Gonzalez Design Eng., Madison Heights, MI	Ric J. Gonzalez	Equipment Design/Engineering	325 16.70
14	Sciencetech Inc., Idaho Falls, ID	Larry J. Ybarondo	Nuclear/Hazardous Waste Mgmt.	245 15.48
15	Omniplan Corp., Houston, TX	R.E. Montijo Jr.	Aerospace Support & Engineering	300 13.45
16	Computer Resource Mgmt. Inc., Herndon, VA	Ervin E. Torrez	Computer Networking Solutions	170 12.55
17	HI-TEC Associates Inc. Lakeland, FL	Joseph M. Gonzalez	Aerospace Design & Technology	280 11.86
18	H-R Industries Inc. Richardson, TX	Paul R. Dickinson	Circuit Boards & Process Devel.	130 11.82
19	Softool Corp., Goleta, CA	Leon Presser	Software Change & Configuration	83 10.00
20	Technical Telephone Sys. Inc., Staten Island, NY	George Cruzado	Systems Integration & PC Clones	80 9.50
21	MEVATEC Corp., Huntsville, AL	Nancy E. Archuleta	Aerospace Sys. Integ. & Software	95 9.06
22	Quality Printed Circuits, Phoenix, AZ	Robert Gonzalez	Printed Circuit Boards	120 8.92
23	Deneba Systems Inc., Miami, FL	Manuel Menendez	Computer Software Products	64 8.44
24	Computer Systems Development Corp., Chantilly, VA	J. Luis Hernandez	Sys. Eng. & Integ./MIS & Automation	102 7.20
25	RAM Enterprises, Valencia, CA	Marline Monstein	Design Contacts & Connectors	16 7.12
26	Operational Technologies Corp., San Antonio, TX	Max Navarro	Environ. Systems & Software Devel.	135 6.71
27	Pressure Systems Inc., Hampton, VA	Douglas B. Juanarena	Aerospace Pressure Sensing Instr.	75 6.50
28	AVG Inc. Valencia, CA	Alvaro Villa	Computer Control Sys./Design & Eng.	40 5.18
29	HJ Ford Associates Inc. Arlington, VA	Jorge Alducin	Systems Eng./Advanced Info. Sys.	82 5.15
30	Orion Int'l Technologies, Albuquerque, NM	Miguel Rios Jr.	Nuclear Engineering & Systems Test.	80 5.07
31	Computer Aided Systems Design Inc., Matawon, NJ	Jorge Torres	Information Eng. & Mgmt. Consulting	14 5.00
32	Ferco Tech Corp., Franklin, OH	Guillermo Fernandez Sr.	Aircraft Engine Parts/Hrdwr. Config.	76 4.97
33	Alamo Technology Inc., San Antonio, TX	Doroteo Chavarria	Custom Computer Eng./Des. & Devel.	60 4.85
34	Int'l Creative Data Industries Inc. Bethel, CT	Jack Villodas	Equip. System Design/Devel. & Eng.	50 4.60
35	AJT & Associates Inc., Cape Canaveral, FL	Alfredo J. Teran	Aerospace Sys. & Facilities Design	120 3.68
36	Geo-Marine Inc. Plano, TX	Ruben G. Garza	Environmental Research & Analysis	65 3.55
37	Holguin, Fahan & Assoc. Inc. Ventura, CA	Andrew R. Holguin	Environ. Cons. & Remediation Svcs.	25 3.17
38	Int'l Trading & Engineering Corp. Miami, FL	Pablo J. Mila	Equip. Generation Transmission & Dist.	7 2.82
39	Biomedical Int'l Corp., Miami, FL	Juan R. Borges	Biomedical Engineering	8 2.60
40	Craftsmen Corp., Smithtown, NY	Alejandro Salas	Defense Systems & Software Integ.	45 2.20

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A Wealth of Information

Although the United States economy grew between 1977 and 1989 at a rate that would have raised income levels 10 percent across the board, disproportionate distribution of wealth halted economic growth for 99 percent of American families, while the top 1 percent saw their average incomes rise 80 percent. An analysis done by *Business Week* indicates that four factors are to blame for the lopsided distribution of wealth, which is expected to persist into the 1990s. Doctors and lawyers, whose average incomes exceed \$165,000, were able to raise fees for their services faster than inflation. In addition, top performers in various fields from corporate management to finance were able to earn more as their companies expanded into global markets. Wealthy households with investments benefited from high real interest rates, and booming stock and real estate markets produced big capital gains for investors. The study found that these factors accounted for 70 percent of the \$200 billion increase in the annual income of the top 1 percent between 1977 and 1989.

Sales and Marketing Sizzle

Plans for the second half of 1992 show a dramatic increase in expected hiring for the sales and marketing arena, according to a survey conducted by Sales Consultants International, which polled 1,577 executives responsible for hiring. A 25 percent increase in hiring in the sales and marketing world is expected by the end of 1992. "We have not seen this kind of explosive increase since the second half of 1983, which heralded the end of that recession," says Alan R. Schonberg, president of Sales Consultants International. "Business is definitely getting better and sales are on the upswing, as are the expectations of senior management. This means that America's companies...will need 25 percent more people than they had formerly projected they would need in the last half [of 1992]." Of the companies surveyed, 49.4 percent plan to maintain their current staff sizes, while only 14.6 plan to decrease sales personnel.

Study Groups Work

Potential for improvement in mathematics, science, and engineering among Hispanics, African Americans, and women can be realized through participation in study groups, according to a recent study by Martin Bonsangue of Mt. San Antonio College in Walnut, California. Study groups not only boost minority student performance but can also result in significant cost savings for schools promoting the groups, the study found. Of the students participating in the study, 85 percent identified their ethnic background as Hispanic. These students were enrolled at California State Polytechnic University, Pomona, and were tracked for five years. Funded by the National Science Foundation, this study was the first longitudinal test of a calculus workshop model developed at the University of California, Berkeley.

Engineers Encouraged

The demand for engineers was up by a slim but encouraging margin last year, according to a recent survey of the top 100 companies employing engineers, conducted by *Design News*. In 1991, 733 more engineers were hired than in the previous year, the study found, for a total of 602,733 engineers currently working in the United States. The companies polled, including General Electric, General Motors, and McDonnell Douglas, employ more than 30 percent of U.S. engineers working currently, and 50 percent of those in manufacturing in any type of design function. Companies that may soon crack the top 100 are also places where jobs will soon be available. These companies with high engineering staff growth include the Maytag Company, Zenith Electronics, Timkin Co., and Mattel.

Entry Level Prospects Good

College graduates expecting a difficult job market may be pleasantly surprised, according to a report released recently by Snelling and Snelling, one of the largest employment service companies in the United States. The report cites nearly two dozen "hot entry-level occupations," including health care, information services, finance, marketing, sales, media and communications, and high technology, with many more positions expected to open up in the next eight years. "The gloom and doom reports coming out of the recession have scared many college graduates looking for their first full-time job," says Robert O. Snelling Sr., chairman of Snelling and Snelling. "On the contrary, many fields are growing and need young people starting their careers." Specifically, Mr. Snelling notes that computer service technicians are currently in heavy demand, and the number of physical therapists in the United States is expected to jump 90 percent by the year 2000.

Entry-level Salaries in Growing Fields, 1992

JOB	STARTING SALARY RANGE
Systems analysts	\$28,500 to \$33,000
Junior financial analysts	\$25,000 to \$32,500
Nurses	\$22,500 to \$26,000
Computer service technicians	\$22,000 to \$25,300
Accountants	\$22,000 to \$26,800
Banking trainees	\$20,500 to \$23,600
Junior copywriters	\$19,500 to \$22,000
Physical therapists	\$18,400 to \$24,600
Claims representatives	\$18,200 to \$21,000
Advertising sales representatives	\$18,000 to \$25,000
Public relations assistants	\$18,000 to \$23,800
Securities sales representatives	\$18,000 to \$27,500
Emergency medical technicians	\$16,200 to \$20,500
Electrocardiograph technicians	\$15,500 to \$18,000

Source: Snelling and Snelling Inc.

OCTOBER 1992

\$2.00

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100 INFLUENTIALS

*One of
a Kind:*

**Henry B.
Gonzalez**



**POLITICAL CONTRIBUTIONS:
THE DEEPEST
POCKETS**

Hispanic BUSINESS[®]

October 1992

Volume 14, Number 10



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Texas Democratic Congressman Henry B. Gonzalez.
Photo by Robert McLeroy—
The San Antonio Express-News

Cover design by
Buffalo Brothers Studios West.

The stakes couldn't be higher in this fall's presidential and congressional elections. At no time in recent memory has the United States of America seemed to be at a more critical watershed.

Barely three years ago national security was the dominant issue of our time. And it was only 12 months ago that the major threat to our future seemed to be Japan's worldwide economic juggernaut. But these past concerns fade by comparison with our current challenge: We must find a way out of recession, and in so doing chart our course into the 21st century.

Why hasn't the national debate risen to the occasion? Why, when the situation is so grave, are we having a childish spitting contest about family values? The American people want their national leaders to engage them seriously in searching debate about what needs to be done to get the nation moving again. The stories in this

issue suggest that Hispanic Americans, like all Americans, are looking for value in their national leaders. They're willing to do whatever it takes to get involved and be heard.

That's evidenced by our groundbreaking story on Hispanic contributions to national politics since the 1980 election. The dollar amounts are rising fast—more than twice as fast as mainstream campaign giv-

*"Past concerns fade
by comparison with our
current challenge."*

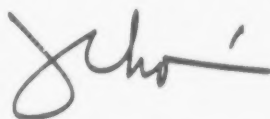
ing—in keeping with the increase in Hispanic money income, and as the Hispanic desire for political involvement surges.

The swell of political involvement is particularly evident in the state of Florida, where an increasing level of Hispanic giving, especially to Republican causes, has taken that party ahead of the Democrats in terms of total national contributions from Hispanics. This is a remarkable finding, considering that two-thirds of all U.S. Hispanics reportedly vote Democratic.

Especially interesting is our listing of America's most generous Hispanic political givers. If influence can be measured in any degree by dollars donated to national politics, these Hispanics certainly have it. And influence is the key word here. The major focus of this issue is on honoring the country's Hispanic leaders and role models—the **HISPANIC BUSINESS** 100 Influentials of 1992. While our readers and staff nominate thousands of Hispanic achievers for this honor each year, our Editorial Board selects individuals who have either made the news for the first time or demonstrated notable new accomplishments during the year. As a result, 80 of this year's 100 Influentials are new to the listing.

One familiar name in this Influentials listing is Texas Congressman Henry B. Gonzalez, whose craggy face appears on our cover. As a long-time representative of a district in San Antonio, and as chair of the powerful House Committee on Banking, Finance, and Urban Affairs, this man is one of the most influential people ever to walk the halls of Congress. And he has done it in his own fiercely independent, often outspoken style: a burr, a maverick, call him what you will, he's the scourge of anyone who might ever threaten to take advantage of the taxpayer.

May all of these people be our inspiration, in a time that requires it.



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Looking Into the Deepest Pockets

Hispanic political giving grows much faster than mainstream funding.

By Rick Mendosa and Sarah Acosta

If money translates to power, Hispanics are opening doors to political access at a rapidly accelerating rate. Their contributions to congressional and presidential candidates, national party funds, and political action committees (PACs) more than tripled over the past three presidential elections, and may well double yet again by the end of this year.

Hispanics contributed about \$5.4 million during the 1987-88 presidential election cycle, according to Federal Election Commission (FEC) records. But last

March 31, with the lion's share of fund raising for the 1992 showdown still to come, they had already contributed nearly \$3.16 million to the political process.

A disproportionate share of that money is coming from Florida, and slightly more of it is now being funneled to the Republicans, even though 65 percent of U.S. Hispanics consider themselves Democratic, according to Andrew Hernandez, president of the Southwest Voter Research Institute. (And in fact, **HISPANIC BUSINESS** also found that most of the "deepest pocket-

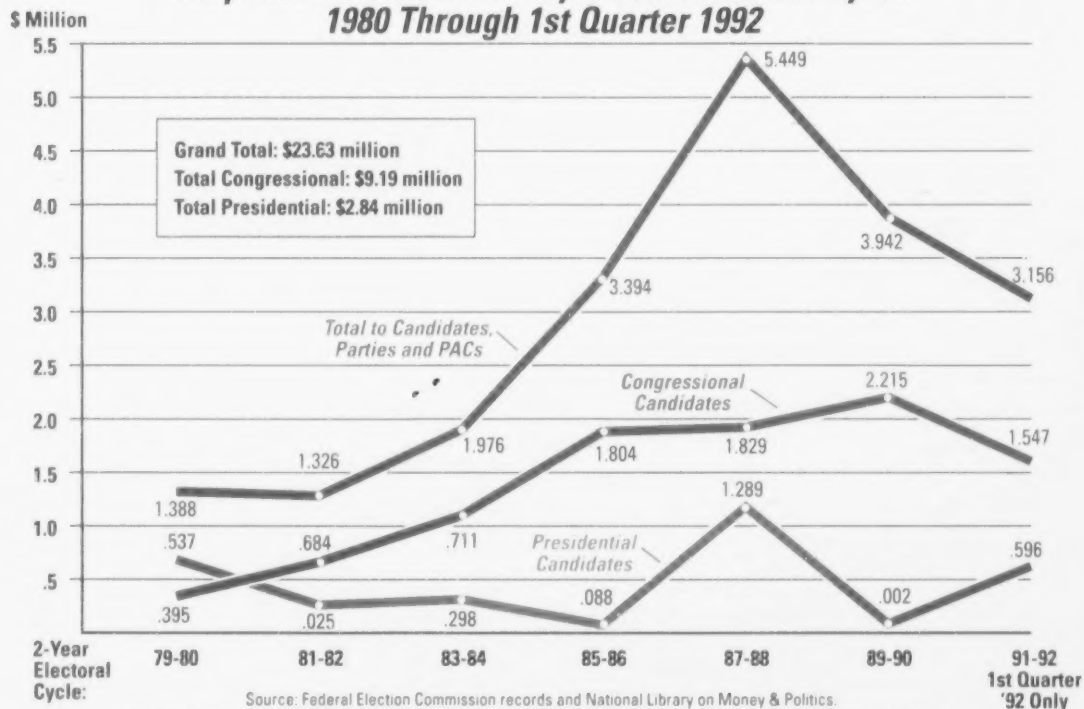
ets" routinely give to both parties.)

Our study of FEC records from 1979—the year the Commission started collecting complete data on political contributions—through March 31 of this year shows that individuals with the 3,000 Spanish surnames included in a proprietary **HISPANIC BUSINESS** data base made roughly 30,000 political contributions totaling more than \$20 million.

By our estimate, this surname search of the data base, executed for us by the National Library on Money & Politics, identified only somewhat more than half of all Hispanics who contributed. (The Library on Money & Politics, affiliated with the Center of Responsive Politics in Washington, is a nonprofit, nonpartisan research organization supported mostly by foundation grants.) Our data base does include all 1,000 of the most common U.S. Hispanic surnames, thanks to an analysis by Rick Blume, vice president of Database Management Inc. in New York, but we did not search the records for thousands of less common Hispanic names—many of them not derived from Spain.

Additionally, the FEC records usually included only "large" contributions of \$500 or more before 1990, and

**Hispanic Contributions* by 2-Year Electoral Cycle
1980 Through 1st Quarter 1992**



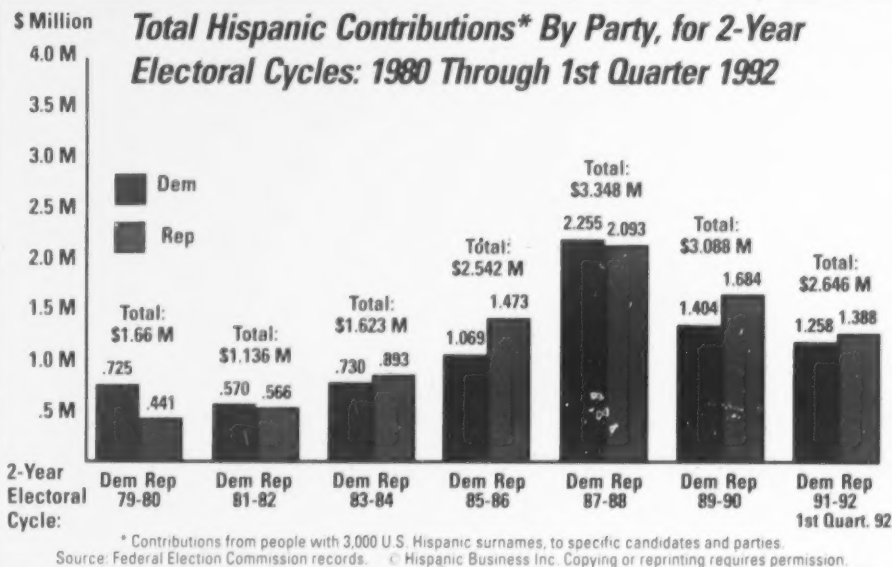
gifts of over \$250 thereafter. According to a recent analysis by Frank J. Sorauf, author of the newly published book, *Inside Campaign Finance*, this means Hispanic political contributions by the people in FEC's data base are probably double what the records show.

That's the "hard" money—contributions that presidential and congressional candidates, national party committees, and PACs are required by the Federal Election Campaign Act to report to the FEC.

Then there's the big item of "soft" money—funding raised outside the restrictions of federal law, often by the biggest givers to get around those funding limits. This is money from individuals and interest groups channeled to state or local party committees, or given to programs run by "nonparty" groups for voter registration, education, mobilization programs, and so on.

Also excluded from our findings are collections of campaign money from various sources amassed by "brokers" or

Total Hispanic Contributions* By Party, for 2-Year Electoral Cycles: 1980 Through 1st Quarter 1992



"bundlers," who are essentially ignored by the Federal Election Campaign Act.

For example, Charles Keating, the disgraced former CEO of American Continental Corp. (Lincoln Savings and Loan), apparently brokered contributions exceeding \$500,000 to five senators.

So, double the Hispanic \$20 million to

account for less common surnames. Then double it again to include smaller contributions. That brings the likely total to about \$80 million. And although there's no way of knowing how much soft money Hispanics have contributed to the political process, the numbers are probably quite healthy for the major givers. Our further

Top Four States: Contributions* By Party, For 2-Year Electoral Cycles 1980 Through 1st Quarter 1992

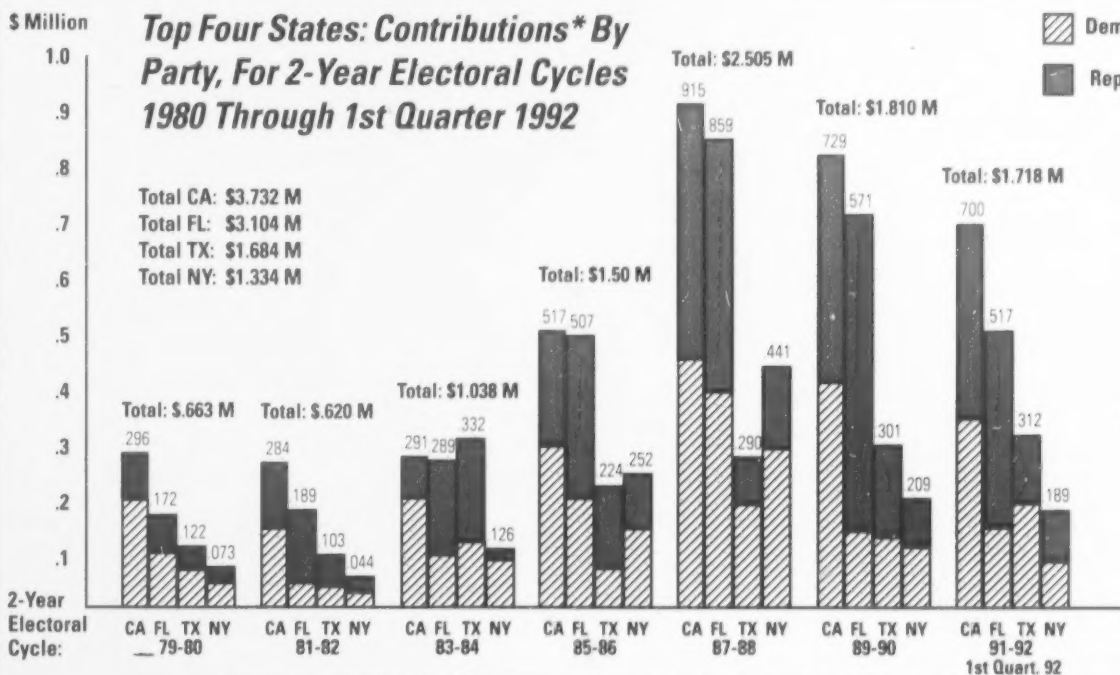




Photo by Albert Diaz

Jorge Mas Canosa is probably the most powerful U.S. lobbyist, and definitely the country's most politically generous Hispanic.

analysis of the baseline \$20 million—broken out by party, state, and electoral cycle—indicates that Hispanic donations to Republicans first surpassed those to Democrats during the 1983-84 presidential election cycle and, except for a slight Democratic edge in 1987-88, have stayed ahead during every subsequent cycle.

The GOP upsurge is owing in large part to Florida, where contributions to Republicans overtook those to Democrats in the 1981-82 election cycle and have stayed ahead ever since.

In total, the GOP and its candidates received \$8.5 million during the surveyed period. The Democrats came close with \$8 million. An additional \$3.8 million went to PACs, of which by far the largest recipient was the Free Cuba PAC, with \$434,850. The balance, about \$233,000, went to third parties and independents.

While 65 percent of all U.S. Hispanics are Democrats, the figure is more like 70 percent outside Florida, where 90 percent vote Republican at the national level, according to Southwest Voter Research's Mr. Hernandez. "But those who make more than \$50,000 [annual salary] tend to identify themselves more as Republican than Democratic," he explains. Consequently, he says he was not surprised to learn that the average contribution to Republicans during the surveyed period was \$743, while the typical donation to Democrats was \$679.

Nearly half of the analyzed Hispanic

The Top Ten Political Givers, 1979 Through 1st Quarter 1992

Total Contributions* All Years 1979-1st Quarter 1992		Contributions During Presidential Campaign Cycles Only** (Not Including 1991-92)					
		To Democrats			To Republicans		
		79/80	83/84	87/88	79/80	83/84	87/88
1. Jorge Mas Canosa							
Cong.	\$86,025	\$1,000	\$2,800	\$9,000	\$1,000	\$14,900	\$9,325
Pres.	\$4,500	\$1,000	\$0	\$0	\$0	\$500	\$1,000
Parties	\$44,500	\$1,000	\$0	\$0	\$0	\$10,000	\$0
PACs	\$51,500	Total by Cycle:					
Grand Total:	\$186,525	\$3,000	\$2,800	\$9,000	\$1,000	\$25,400	\$10,325
2. Marife Hernandez							
Cong.	\$5,000	\$0	\$0	\$1,000	\$0	\$0	\$0
Pres.	\$3,000	\$0	\$0	\$1,000	\$0	\$0	\$0
Parties	\$122,000	\$1,500	\$22,000	\$74,500	\$0	\$0	\$0
PACs	\$12,000	Total by Cycle:					
Grand Total:	\$142,000	\$1,500	\$22,000	\$76,500	\$0	\$0	\$0
3. Alfonso Fanjul Jr.							
Cong.	\$31,500	\$2,750	\$2,500	\$13,000	\$0	\$500	\$0
Pres.	\$9,000	\$500	\$1,000	\$2,500	\$0	\$0	\$1,000
Parties	\$59,000	\$2,500	\$1,000	\$23,000	\$0	\$0	\$0
PACs	\$31,605	Total by Cycle:					
Grand Total:	\$131,105	\$5,750	\$4,500	\$38,500	\$0	\$500	\$1,000
4. Domingo Moreira							
Cong	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pres	\$3,000	\$0	\$0	\$0	\$0	\$0	\$2,000
Parties	\$28,100	\$0	\$0	\$0	\$0	\$10,000	\$6,000
PACs	\$86,000	Total by Cycle:					
Grand Total:	\$117,100	\$0	\$0	\$0	\$0	\$10,000	\$8,000
5. Jose "Pepe" Fanjul							
Cong.	\$53,055	\$1,200	\$1,500	\$3,005	\$1,000	\$1,000	\$15,000
Pres.	\$4,000	\$0	\$0	\$0	\$0	\$0	\$1,000
Parties	\$3,000	\$0	\$0	\$0	\$1,500	\$1,500	\$0
PACs	\$52,386	Total by Cycle:					
Grand Total:	\$112,441	\$1,200	\$1,500	\$3,005	\$2,500	\$2,500	\$16,000
6. Alberto Hernandez, M.D.							
Cong.	\$23,900	\$1,000	\$1,000	\$4,500	\$0	\$750	\$0
Pres.	\$8,750	\$0	\$0	\$0	\$0	\$0	\$4,000
Parties	\$28,750	\$0	\$11,250	\$2,000	\$0	\$0	\$0
PACs	\$39,000	Total by Cycle:					
Grand Total:	\$100,400	\$1,000	\$12,250	\$6,500	\$0	\$750	\$4,000
7. Roberto G. Mendoza							
Cong.	\$2,500	\$0	\$500	\$1,000	\$0	\$0	\$0
Pres.	\$6,000	\$0	\$0	\$0	\$0	\$0	\$4,000
Parties	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PACs	\$88,122	Total by Cycle:					
Grand Total:	\$96,622	\$0	\$500	\$1,000	\$0	\$0	\$4,000
8. Arturo Diaz							
Cong.	\$7,800	\$0	\$500	\$2,350	\$0	\$0	\$0
Pres.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Parties	\$89,000	\$0	\$0	\$3,000	\$0	\$14,250	\$0
PACs	\$10,500	Total by Cycle:					
Grand Total:	\$87,300	\$0	\$500	\$5,350	\$0	\$14,250	\$0
9. Manuel D. Medina							
Cong.	\$28,680	\$1,500	\$3,500	\$9,680	\$0	\$1,000	\$0
Pres.	\$10,000	\$0	\$3,500	\$6,500	\$0	\$0	\$0
Parties	\$30,000	\$0	\$12,000	\$14,000	\$0	\$0	\$0
PACs	\$8,000	Total by Cycle:					
Grand Total:	\$76,680	\$1,500	\$19,000	\$30,180	\$0	\$1,000	\$0
10. Earl Luna							
Cong.	\$37,800	\$0	\$500	\$2,000	\$0	\$4,000	\$6,500
Pres.	\$3,000	\$0	\$1,000	\$0	\$0	\$0	\$1,000
Parties	\$28,260	\$0	\$0	\$5,000	\$0	\$1,500	\$6,000
PACs	\$4,000	Total by Cycle:					
Grand Total:	\$73,060	\$0	\$1,500	\$7,000	\$0	\$5,500	\$13,500

Source: Federal Election Commission records, search for 3,000 most common Spanish surnames. *Contributions to presidential and congressional candidates, national parties, and political action committees (PACs).

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political contributions originated in only four states. The most impressive figures come from Florida, where 7 percent of all U.S. Hispanics accounted for 15 percent of all Hispanic giving—\$3.1 million. While California ranked first with 18 percent of the total contributions (\$3.7 million), it is home to 34 percent of all Hispanics. Contributors in Texas, with 19 percent of the Hispanic population, accounted for 8 percent of the total. And New York, with 10 percent of U.S. Hispanics, provided 6 percent of all Hispanic funding.

Although total U.S. political giving has increased since 1979 for both presidential and nonpresidential election cycles, Hispanic giving has increased more than twice as fast. While total presidential cycle contributions increased 118 percent between 1979-80 and 1987-88, Hispanic giving shot up 286 percent. And for the nonpresidential cycles, Hispanic contributions outpaced overall funding increases, by about 200 percent to 119 percent.

Both political parties say they are well aware of the growing Hispanic clout. Robert Mosbacher, the Republican National Committee's general chairman of finance and fund raising, says he attributes the growing Hispanic Republican contributions to several factors. First, he claims, Hispanics and the Bush-Quayle platform "are very close to each other...simpatico," on many issues. "Hispanics feel very strongly about family, about schools and choice, about work with Mexico on the North American Free Trade Agreement, and maybe about a certain kinship with George Bush, because part of his family is Hispanic."

Besides that, continues President Bush's former secretary of Commerce, "many Hispanics have small businesses, and the Bush-Quayle team is concerned about small business. They've put a moratorium on regulations and have at least jawboned the regulators and banks about being more helpful toward small businesses. The other side of the issue is that Hispanics are scared to death of additional taxes and regulations on business from Clinton and Gore."

As a result, says Mr. Mosbacher, he works with many wealthy Hispanics, "not just those in Florida—and they're very important there—but also in Texas and California and the other border states."

Amy Zisook, the Victory Fund director for the Democratic National Committee,

says her party, too, has "noticed more interest and involvement from the Hispanic community nationwide, although I'm not exactly sure what that's due to."

Indeed, Democratic presidential nominee Bill Clinton has been able to tap Cuban American money that traditionally has gone to the Republicans, possibly because of his support of proposed legislation to tighten the U.S. embargo on Cuba. For example, says a Clinton aide, one political event in Miami's Little Havana last April produced more than \$100,000 for his campaign.

HISPANIC BUSINESS also examined the

tremendous influence in Washington, wielded through access to the White House, senior Administration officials, and Congress, this man is perhaps the most significant individual lobbyist in America, and the only one who wants to be president of another country (Cuba).

Mr. Mas Canosa maintains there is no direct link between CANF and the Free Cuba PAC, but as one Washington source puts it, "We consider them one and the same." The Free Cuba PAC contributed to 56 congressional campaigns in 1988 and 48 campaigns in 1990. Among its beneficiaries is New Jersey Democratic Congressman Robert Torricelli, sponsor of the Cuba Democracy Act, which would tighten the U.S. embargo on Cuba. Mr. Torricelli has received the \$5,000 legal maximum from the Free Cuba PAC every year since he became chair of the House Western Hemisphere Affairs Subcommittee four years ago. And, according to *The Wall Street Journal*, the Congressman has received another \$16,750 from individual members of CANF.

Meanwhile, Free Cuba PAC President Domingo Moreira ranks number four in contributions. Mr. Moreira is president of seafood wholesaler Ladex Corp. in Miami. Ranked sixth is Alberto Hernandez, a Miami physician and one of the leaders of CANF.

The second largest Hispanic contributor, Marife Hernandez, gives solely to Democrats. A socialite and public relations consultant in New York City, Ms. Hernandez formerly headed a firm called Cultural Communications Inc. and has done public relations work for The Coca-Cola Company.

Back in Florida, Alfonso Fanjul Jr. is the third biggest giver. Unlike Mr. Mas Canosa, who thrives in the limelight, Mr. Fanjul seems to enjoy staying in the shadows. As head of the Flo-Sun Corporation of Palm Beach, he controls America's largest sugar producer. Although Flo-Sun has never divulged its revenues, **HISPANIC BUSINESS** estimates place it among the country's two or three biggest Hispanic owned companies, and the *Miami Herald* estimated six years ago that



Alfonso Fanjul Jr., the nation's sugar king, is one of the largest Hispanic contributors to federal elections.

FEC records to identify who the biggest Hispanic contributors have been. What we found is that the most generous ones live in South Florida and New York.

By far the biggest individual contributor, at \$186,525, is Jorge Mas Canosa, CEO of Church & Tower, a Miami-based construction company. Since 1980, Mr. Mas Canosa has chaired the Cuban American National Foundation (CANF), an organization he modeled after a potent pro-Israel lobby—the American Israel Public Affairs Committee.

His company, which was last listed on the **HISPANIC BUSINESS** 500 in 1989 with revenues of \$16.25 million for the previous year, has since refused to divulge its revenues. But the *Miami Herald* has estimated Mr. Mas Canosa's personal wealth at \$9 million, and most of his money is said to go to Republicans and the GOP. With his

Mr. Fanjul's net worth then exceeded \$400 million.

Mr. Fanjul's brother, Jose "Pepe" Fanjul, ranks fifth. Described variously in FEC records as a farmer, a sugar grower, a developer, or a person connected with two Flo-Sun subsidiaries—the Okeelanta Corp. and Osceola Farms—Pepe Fanjul also runs First Atlantic Investment Corporation, a Miami firm that brokers large deposits into financial institutions.

Three other Flo-Sun associates also posted impressive contributions. Flo-Sun Vice President Oscar Hernandez of Atlantis, Florida, ranked number 13, while his wife, Teresa, ranked number 28. Another Flo-Sun vice president, Alberto Recio of West Palm Beach, ranked number 25.

Ranking seventh among the top 10 is Roberto G. Mendoza, vice chairman of New York bank holding company J.P. Morgan & Co. Inc., the parent of Morgan Guaranty Trust, which is the fifth largest U.S. bank. Mr. Mendoza, who has been with J.P. Morgan since 1967, had a salary of \$1,597,400 in 1991 according to the company's proxy statement. Except for \$8,000 contributed to individual Republican and Democratic candidates, all of Mr. Mendoza's giving has been to a single PAC—the Morgan Companies Political Action Committee.

Following Mr. Mendoza is Puerto Rican businessman Arturo Diaz Jr., who is associated with several companies in Rio Piedras, Puerto Rico, including Empresas Diaz, Betterroads Asphalt, and the San Juan Cement Co.

Number nine on the list is Manuel Medina, CEO of the Miami-based commercial real estate development company Terremark Inc. and a major contributor to the Democrats. And in 10th place among the top givers is Earl Luna, an attorney in private practice in Dallas.

Most of the large givers whose records we reviewed also attributed additional contributions to a spouse or children, a common means of avoiding the annual limits on giving (\$1,000 for candidates, \$20,000 for parties, \$5,000 for PACs, and \$35,000 for total contributions). Mr. Mas Canosa's wife Irma, for example, has donated a total of \$29,625 since 1979.

Like most large political contributions, this Hispanic money is being used to buy influence. The difference, as Hispanic influentials and U.S. politicians alike are beginning to realize, is that there's a lot more where that came from. □

WHO ARE THE TOP 30? January 1, 1979 Through 1st Quarter 1992

	NAME	COMPANY/ OCCUPATION	RESIDENCE	TOTAL CONTRI- BUTIONS*
1.	Jorge Mas Canosa	Church & Tower	Miami, FL	\$186,525
2.	Marife Hernandez	Consultant	New York, NY	142,000
3.	Alfonso Fanjul Jr.	Flo-Sun Corp.	Palm Beach, FL	131,105
4.	Domingo Moreira	Ladex Corp.	Miami, FL	117,100
5.	Jose "Pepe" Fanjul	Flo-Sun Corp.	Palm Beach, FL	112,441
6.	Alberto Hernandez, M.D.	Physician	Miami, FL	100,400
7.	Roberto G. Mendoza	J.P. Morgan & Co.	New York, NY	96,622
8.	Arturo Diaz Jr.	Empresas Diaz/ Betterroads Asphalt/ San Juan Cement Co.	Rio Piedras, PR	87,300
9.	Manuel D. Medina	Terremark Inc.	Miami, FL	76,680
10.	Earl Luna	Law Offices of Earl Luna	Dallas, TX	73,060
11.	Francisco J. Collazo	Colsa Inc.	Huntsville, AL	70,090
12.	Francisco J. Hernandez	Agro Tech Int'l	Miami, FL	69,350
13.	Oscar Hernandez	Flo-Sun Corp.	Atlantis, FL	67,685
14.	Francisco A. Lorenzo	Continental Airlines	Houston, TX	67,600
15.	David Lizarraga	TELACU	Covina, CA	57,500
16.	Roberto C. Goizueta	The Coca-Cola Co.	Atlanta, GA	52,402
17.	Michael D. Hernandez	Kidder Peabody	New York, NY	50,600
18.	Max Soriano	Western Pioneer Inc.	Seattle, WA	49,450
19.	Jose Luis Rodriguez	M & R Farms	Boynton Beach, FL	48,350
20.	Daniel Maldonado	MARC Associates	Germantown, MD	45,850
21.	Thomas J. Marquez	Private Investor (formerly EDS VP)	Dallas, TX	45,250
22.	Oscar Vasquez	Oscar Air Cond.	Miami, FL	43,500
23.	Brenda Moreira	Ladex Corp.	Miami, FL	41,000
24.	Rene Hernandez	Gulf Trading Corp.	San Juan, PR	40,000
25.	Alberto Recio	Flo-Sun Corp.	West Palm Beach, FL	39,797
26.	Frank Moya, M.D.	Mt. Sinai Med. Ctr	Miami Beach, FL	37,050
27.	Mario Moreno	Wedtech Corp.	Bronx, NY	36,250
28.	Teresa V. Hernandez	Flo-Sun Corp.	Atlantis, FL	35,700
29.	Arnold Leon	Attorney	Portsmouth, VA	35,000
30.	Mario F. Rodriguez	Interval Int'l	Miami, FL	33,550

Source: Federal Election Commission records, search for 3,000 most common Spanish surnames.

*Contributions to presidential and congressional candidates, national parties, and political action committees (PACs).

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100 INFLUENTIALS

WANT A UNIFIED NATIONAL AGENDA

Let's get with it!" That's the message this year's 100 Influentials are sending. **HISPANIC BUSINESS** polled the Influentials—selected by our editorial board from hundreds of reader nominations—to get their views on a range of political, social, and economic issues.

Eighty-six percent of the responding Influentials say they think it's very important for the Hispanic community to become united in pursuing its goals. Most of them see the community's clout fragmented by disparate agendas: 51 percent say Hispanics are not very united or not united at all, and another 42 percent

believe Hispanics are only somewhat united. Just 4 percent of the respondents believe Hispanics are very united now.

Why worry about a united Hispanic front? As White House Fellow Margarita Colmenares puts it so fervently, "The dreams of our children lie in our ability to come together as a cohesive whole. We may not agree on every point, but we should focus on our strengths and common ground."

Ms. Colmenares is talking about unity in politics. Many of the 100 Influentials believe the engine for such political clout will be the Hispanic business community. "When Hispanic businesses work together," says Democratic Congressman Solomon P. Ortiz, "it shows we are united. That gives us force and leverage." Mr. Ortiz chairs the Congressional Hispanic Caucus, and has represented a district in the Corpus Christi, Texas area since

1982. But as New York Supreme Court Justice John Carro comments, "[Hispanic] organizations have not coalesced and come together to promote a Hispanic business agenda. They should emulate the Koreans."

Indeed the majority of the 100 Influentials have an unflattering opinion of what Hispanic business organizations are doing to further a national agenda for economic development. Only 15 percent of the respondents think these organizations are very effective. Another 25 percent say such groups are definitely not effective,



Antonia Novello, M.D.
U.S. Surgeon General
Washington, DC



Henry B. Gonzalez
Chair, Banking Committee
Member of Congress
San Antonio, TX



Lloyd G. Chavez
CEO
Burt on Broadway
Englewood, CO



Ricardo Mestres
President
Hollywood Pictures
Burbank, CA



Gloria Molina
Co-Chair
Clinton Campaign - Los Angeles, CA

and 60 percent judge them to be only somewhat effective. **T**he problems these Influential leaders see are fundamental. "It's not even certain what the agenda is," declares Gery Chico, deputy chief of staff to Chicago Mayor Richard Daley. "There is no focus," agrees Ray Rodriguez, chief executive officer of Univision Holdings. More specifically, says Frank Herrera Jr., president of the San Antonio-based law firm Herrera & Vega, "Hispanic business organizations lack goals, vision, and commitment."

One reason for the lack of focus—whether in politics or business—submits attorney Sergio Leiseca, is that Hispanics have too often allowed themselves to remain "divided into many sub-groups: Mexicans, Puerto Ricans, Cubans, etc. This is ironic indeed because non-Hispanics do not differentiate or distinguish or divide us. We do." Mr. Leiseca is a partner with Baker & McKenzie, the nation's largest law firm.

That's right, believes California Hispanic Chamber of Com-



Andres Bande
President
Ameritech International
Chicago, IL



Evelyn Cisneros
Prima Ballerina
San Francisco Ballet
San Francisco, CA



S. Hernandez-Piñero
Chair
Housing Authority
New York, NY



E. (Kika) de la Garza
Member of Congress
Chair, Agriculture Comm.
McAllen, TX



Ruben Cardenas
Board Member
Southwestern Bell
McAllen, TX



Jose F. Rosado
Chief Executive Officer
Ibex Group
Miami, FL

100 INFLUENTIALS

Eighty-nine percent of the Influentials would undertake a boycott if necessary to assert their opinions.

—Based on poll of **HISPANIC BUSINESS** Influentials



Lena Guerrero
Chair
Texas Railroad Commission
Austin, TX

merce President Manuel Rosales. "People are always saying that the Hispanic community is not organized. On the contrary, we are *too* organized. We have organizations all over the place, representing many sectors of our community. The problem is that every one of them has its own agenda. They're focusing only on their particular concerns. I don't understand why we don't put our egos aside and coalesce to push Hispanics into public office. Without that, we will always be divided and will not get our fair share of the economic pie."

And more basically, observes New York's Democratic Congressman Jose Serrano, these numerous groups "have been unable to make economic development a priority in the Hispanic community, particularly in our urban centers."

HISPANIC BUSINESS asked

the Influentials to identify any organizations that they feel currently have "teeth" in advocating a national Hispanic economic agenda (aside from the Mexican American Legal Defense and Educational Fund—MALDEF—which tends to get a lot of attention for its advocacy). As if to illustrate Mr. Rosales's point about fragmentation, the group named a total of 22 different organizations, and only three of the 22 received more than four mentions. These three are: the Puerto Rican Legal Defense and Education Fund (picked by 12 Influentials), the National Council of La Raza (11 votes), and the League of United Latin American Citizens (9 votes).

"Assuming that going to court—which anyone can do—is the same as having teeth, many groups have teeth," comments Chicago's Mr. Chico. "But just as important is how much strength



Trent Dimas
1992 Olympic Gymnast
Gold Medalist
Albuquerque, NM



Esteban E. Torres
Deputy Whip
Member of Congress
Los Angeles, CA



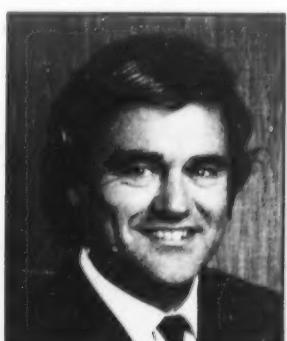
Cristina Saralegui
Host/Journalist
"The Cristina Show"
Miami, FL



Alejandro Diaz Vargas
Chief Executive Officer
Stanhome Inc.
Westfield, MA



Gaddi Vasquez
County Supervisor
Orange County
Santa Ana, CA



Ray Rodriguez
President and CEO
Univision Holdings
New York, NY

100 INFLUENTIALS

"There isn't one strong central organization that can bring together different opinions."

—Ruben Cardenas, Southwestern Bell

you have in Congress, the White House, and state and local administrative and legislative offices throughout the country."

Mr. Rosales sees business organizations, "which have not been in the forefront of Hispanic consciousness...now taking the lead in furthering the Hispanic economic agenda." His own California Hispanic Chamber of Commerce, he points out, took a decade to develop its own infrastructure. "Three years ago we started networking with other state chambers, and we are coalescing into establishing a national business agenda now."

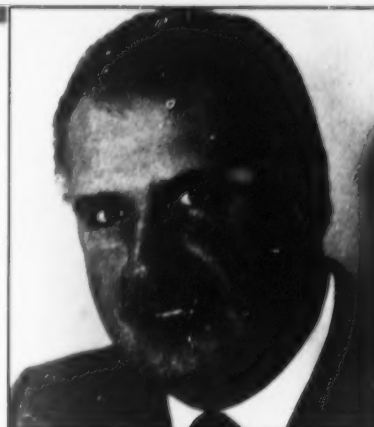
Considering the past fragmentation of the Hispanic agenda, it's no surprise that Hispanics (who with 9 percent of the population could be an important swing vote) won't be voting as a bloc in the presidential election. A big 24 percent of the

Influential respondents eligible to vote say they're not sure whom they'll vote for. Another 45 percent say they'll vote for Bill Clinton, while 31 percent indicate they favor George Bush.

Mr. Clinton's 14 point margin looks substantial, but doesn't approach the 23 percent gap in party registration—55 percent Democrat and 32 percent Republican. A surprising 13 percent are "other."

Still, this year's Hispanic Influentials are more together in their voting preferences than they were four years ago, when 49 percent of the respondents say they voted for George Bush, and 48 percent for Michael Dukakis.

Like most Americans, two-thirds of the Influential poll group say the state of the economy is the one most important factor influencing their presidential pick for 1992. Nothing else comes



Joseph Fernandez
Chancellor
New York City Schools
New York, NY



Oscar De La Hoya
1992 Olympic Boxer
Gold Medalist
Los Angeles, CA



Mariah Carey
Singer/Songwriter
New York, NY



Federico Peña
President and CEO
Peña Investment Advisors
Denver, CO



Solomon Ortiz
Chair, Hisp. Cong. Caucus
Member of Congress
Corpus Christi, TX



Raul Yzaguirre
President
Nat'l Council of La Raza
Washington, DC



Joaquin F. Blaya
President and CEO
Telemundo Group Inc.
New York, NY

100 INFLUENTIALS

"The question for the remainder of this decade is: Will Hispanic businesses have access to capital that will allow them to take advantage of NAFTA and expand their services and products to new markets unfolding abroad?"

—Margarita Colmenares, U.S. Dept. of Education



Dan Morales
Attorney General
State of Texas
Austin, TX

close. Yet presidential voting, and presumably any national Hispanic agenda, should "transcend single issues," points out Eduardo Aguirre Jr., senior vice president of the NationsBank of Texas in Houston. "My vote will go to the candidate who can psychologically deal with complex international issues." "We don't live in a one-issue country or world," agrees Arcadio Casillas, managing director of the Preferred Compensation Corp. in New York City. "To think so is unrealistic."

Assuming that Hispanic Americans will indeed develop a unified agenda, **HISPANIC BUSINESS** wanted to know what they might be willing to do to assert their opinions. Eighty-nine percent of the responding Influentials indicated they would undertake a boycott if necessary. A smaller but still significant group—22 percent—say they'd also physi-

cally block access if need be. Only 2 percent say they might go so far as to destroy property, and nobody would condone violence against persons.

Just who are these 100 action-minded Influentials? They are selected from literally thousands of candidates to represent Hispanic leaders in a range of fields. While a few names may carry over on the Influentials listing from one year to the next (20 did this year), the focus is on men and women who have made the news for the first time, or who have demonstrated notable new accomplishments during the current year.

About one-fifth of the 100 Influentials for 1992 recently assumed new positions, for example, Jose Canchola of Tucson is the new chair of the U.S. Hispanic Chamber of Commerce. New



Gery J. Chico
Deputy Chief of Staff
Office of the Mayor
Chicago, IL



J. Antonio Villamil
Under Sec. Econ. Affairs
Dept. of Commerce
Washington, DC



Monica Lozano
Editor
La Opinion
Los Angeles, CA



Arcadio Casillas
Managing Dir./Principal
Preferred Comp. Corp.
New York, NY



Sergio A. Leiseca
Law Partner
Baker & McKenzie
Chicago, IL



Raul Rivera
President
Nat'l Benefit Life Insur.
New York, NY

100 INFLUENTIALS

"The National Council of La Raza does try to affect Congress. However, compared to other traditional lobbying organizations, I can't say we have teeth."

—Federico Peña, Peña Investment Advisors



Lucille Roybal-Allard
California Assembly Member
Congressional Candidate
Los Angeles, CA

York attorney Ernest Collazo was recently named chair of the Puerto Rico Legal Defense and Education Fund. Carlos Ortiz is the new president of the Hispanic National Bar Association, and Laudelina Martinez recently assumed a new role as president of the Hispanic Association of Colleges and Universities.

Because 1992 is a political year, there are new faces on the political scene as well. Arizona sent its first Hispanic congressman, Ed Pastor, to Capitol Hill this year.

In the Bush Administration, J. Antonio Villamil moved up to become Under Secretary of Commerce; Cari Dominguez is the new assistant secretary for employment standards at the Department of Labor; Jaime Ramon, formerly general counsel for the Office of Personnel Management, succeeded Ms. Dominguez as di-

rector of the Office of Federal Contract Compliance Programs in the Department of Labor; and Linda Bocchi left a Washington law firm to take a position in the Division of Enforcement of the Securities and Exchange Commission.

Hispanics in state and city governments also moved up. Gery Chico became deputy chief of staff to Chicago Mayor Richard Daley, for example. Sally Hernandez-Piñero, who was formerly New York's deputy mayor, took over as chair of the New York City Housing Authority. Matt Rodriguez became Chicago's first Hispanic chief of police this year, and Louis Cobarruviaz was similarly honored in San Jose, California. Waldemar (Bill) Rojas is San Francisco's new superintendent of schools.

On the presidential campaign trail, the Clinton organization



Frank Herrera Jr.
Law Partner
Herrera & Vega
San Antonio, TX



Frederick R. Ruiz
President and CEO
Ruiz Food Products Inc.
Dinuba, CA



Hon. John Carro
Associate Justice
New York Supreme Court
New York, NY



Luis V. Gutierrez
Alderman 20th Ward
Congressional Candidate
Chicago, IL



Hilario F. Candela
President
Spillis Candela & Prtnrs
Coral Gables, FL



Fernando Ferrer
President
Borough of the Bronx
New York, NY

100 INFLUENTIALS

"No single Hispanic business organization has significant financial strength. [and they] are unwilling to work together."

—Frederick Ruiz, Ruiz Food Products



Pablo Morales
1992 Olympic Swimmer
Gold Medalist
Santa Clara, CA

named Los Angeles County Supervisor Gloria Molina as co-chair, and made Maria Echaveste its national Latino coordinator as well as national deputy political director.

The Bush campaign, meanwhile, scored a first for the Republican party by naming a Hispanic campaign director in California.



Laudelina Martinez
President
HACU
San Antonio, TX

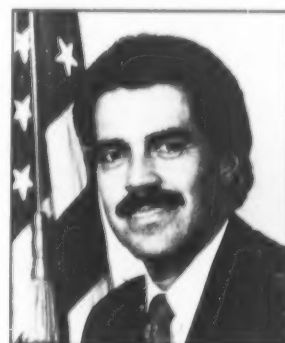
Xavier Hermosillo, chair of the advocacy group NEWS for America, is director of the California Latino Bush-Quayle campaign organization. According to Mr. Hermosillo, California's 420 delegates to the Houston convention included 84 Hispanics. At least half of the California delegation were women.

Both of the country's leading Spanish language television networks have new Hispanic CEOs. Joaquin Blaya, formerly acting president of Univision, became CEO of Telemundo. Ray Rodriguez, formerly a se-

nior vice president of Univision, moved up to the CEO position when Mr. Blaya left.

Among all these accomplished individuals, is there one who could be considered the most influential for 1992? **HISPANIC BUSINESS** polled each of the 100 Influentials to determine who they might consider the most outstanding from a list of seven names. Not included on this list was last year's winner, Secretary of the Interior Manuel Lujan Jr.

U.S. Surgeon General Antonia Novello was this year's clear winner, with 31 percent of the votes. Dr. Novello has interpreted her role as surgeon general liberally, dealing actively with such difficult health issues as AIDS, underage drinking, and immunization for childhood diseases. Recently she asked the R.J. Reynolds company to stop targeting advertising of Camel ciga-



Jose E. Serrano
Member of Congress
Borough of the Bronx
New York, NY



Salvador Diaz-Verson
President
Diaz-Verson Cap. Invstmnt
Columbus, GA



George R. Arellano
Sr. VP and Gen. Mgr.
Abitibi-Price Inc.
New York, NY



Rosemary Barkett
Chief Justice
Florida Supreme Court
Tallahassee, FL



Joseph Sanchez Jr.
Founding Member/Chair
Mex. Amer. Grocers Assn.
Los Angeles, CA

100 INFLUENTIALS

"Hispanic business organizations lack goals, vision, commitment."

—Frank Herrera Jr., Herrera & Vega

rettes to young people, and specifically to stop using the cartoon character "Old Joe" camel in its ads.

Second most influential among the 100 with 23 percent of the vote was Texas Democratic Congressman Henry B. Gonzalez, who is chair of the House Banking Committee.



Jaime Ramon
Dir. Contract Compliance
U.S. Dept. of Labor
Washington, DC

Finally, we asked the Influentials to make some hard choices on what they would do if they had 10 percent less or 10 percent more to invest in education. We wondered at what grade levels they would make the cuts or provide the increases.

The 100 unanimously believe in the importance of higher education. But if they had to make cuts somewhere, a substantial majority—73 percent—would make them at the university level. Conversely, only 6 percent would direct additional funding there rather

than to the high school, elementary school, or pre-school/kindergarten levels.

The Influentials appear to place first priority on support at the elementary school level. Only 3 percent of the Influentials would make a funding cut at that level, while 53 percent would channel any additional funds there.

Another 23 percent of the Influentials would channel extra funds to the high schools, while only 5 percent would make their cuts there. And while 19 percent would make the cuts at the pre-school/kindergarten level, another 18 percent would add funding there.

Now the Influentials nominations are open for 1993, care of the **HISPANIC BUSINESS** editorial board. Because it seems that more Hispanics reach positions of greater prominence each year, we await your suggestions with great pleasure. (1)



Maria Echaveste
Attorney Member
Clinton Campaign
Little Rock, AR



Frank Quevedo
Chair
MALDEF
Fullerton, CA



Tony Leal
VP, National Sales
Discover Card Svcs Inc.
Riverwoods, IL



Ed Pastor
Member of Congress
District 2
Phoenix, AZ



Matt Rodriguez
Superintendent
Chicago Police Department
Chicago, IL



Jose Canchola
Chair
U.S. Hisp. Chamber of Comm.
Tucson, AZ

100 INFLUENTIALS

VIEWS... ON THE TOP ISSUES OF 1992*



Phil Roman
President and CEO
Film Roman
North Hollywood, CA



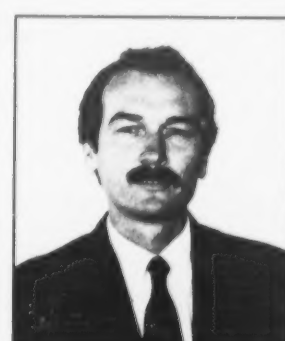
Carlos Ortiz
President
Hispanic Nat'l Bar Assoc.
Montclair, NJ



Ernest J. Collazo
Chair
Puerto Rican Legal Defense
& Ed. Fund—New York, NY



Louis Cobarruviaz
Chief of Police
San Jose Police Dept.
San Jose, CA



Dennis Rivera
Pres. Local 1199
Drug/Hosp./Hlthcare Union
New York, NY

POLITICAL ISSUES

Are you registered to vote (citizens only)? 100% Yes

Your choice today for President?

45% Bill Clinton
31% George Bush
24% not sure

Is this your final choice?

71% Absolutely certain
17% Pretty Sure
12% Not Sure

Which issue is most important in your decision?

67% Economy
15% Civil rights/minority issues
4% Abortion rights
4% Free trade with Mexico
10% Other

How important are candidates' personal lives?

24% Very important
51% Somewhat important
22% Not very important
3% Not important at all

Your choice in 1988? 49% George Bush.

48% Michael Dukakis 3% no answer

*Percents are of those who answered each question.



Mary Joe Fernandez
1992 Olympic Tennis Player
Gold Medalist
Miami, FL



Ennio Quevedo-Garcia
VP of Special Segment
Bank of America
San Francisco, CA

100 INFLUENTIALS

VIEWS... ON THE TOP ISSUES OF 1992*

SOCIAL ISSUES

How united is Hispanic community in pursuing its political/ social goals?

4% Very 42% Somewhat 40% Not very
11% Not at all 3% Not sure

How effective is Hispanic business community in pursuing a national economic development agenda?

15% Very effective
60% Somewhat effective
25% Not effective

How important is such unified action?

86% Very
13% Somewhat
1% Not at all

If government could spend 10 percent more for education, where should it go?

18% Pre-school
53% Elementary school
23% High school
6% Higher education

If necessary to assert your opinion, how far is it acceptable to go?

A boycott? 89%
Blocking access? 22%
Destruction of property? 2%
Violence against persons? 0%

*Percents are of those who answered each question.



Jose Luis Vazquez
Chief Financial Officer
Arthur Andersen & Co.
Chicago, IL



Carolina Calderin
Chief Executive Officer
Pan American Hospital
Miami, FL



Ernesto M. Chavarria
Chair
TAMACC
Austin, TX



Tony Sanchez Jr.
Chief Executive Officer
Sanchez-O'Brien Oil & Gas
Laredo, TX



Sandy Alomar
Catcher
Cleveland Indians
San Diego, CA



Carlos de Cespedes
Chief Executive Officer
Pharmed Group
Miami, FL



George L. Pla
President and CEO
Cordoba Corp.
Los Angeles, CA

100 INFLUENTIALS

DEMOGRAPHIC PROFILE TOTAL GROUP*

Birthplace: 63% U.S. 37% Abroad

Age: 6% 21-30 26% 31-40 43% 41-50
11% 51-60 14% 61+

Gender: 73% Male 27% Female

Cultural Background: 45% Mexican
24% Puerto Rican 20% Cuban
4% Spanish 3% South American
1% Central American 3% Other

Education: 2% High school 22% Some college
27% College Grad 49% Postgrad

Household Income: 14% \$50,000-\$99,000 86% \$100,000+

Current financial situation compared with one year ago?
38% Better off 12% Worse off 50% Same

Language: At Home	Business
33% English	55% English
15% Spanish	4% Spanish
52% Bilingual	41% Bilingual

Geographic Region:	34% Northeast
	10% Southeast
	10% Midwest
	46% Southwest
	0% Northwest

*Percents are of those who answered each question.



Miguel Nevarez

President

U. of Texas-Pan American
Edinburg, TX



David Lizarraga

President

TELACU
Los Angeles, CA



Miriam Santos

Treasurer

City of Chicago
Chicago, IL



Manuel A. Rosales

President

California Hisp. C of C
San Francisco, CA



Raul Alarcon Jr.

President

Span. Broadcasting System
New York, NY



Amalia Meza-Bains

Artist

Cultural Historian
San Francisco, CA



Jorge Diaz

VP Engineering

B2 Div., Northrop Corp.
Pico Rivera, CA

100 INFLUENTIALS

DEMOGRAPHIC PROFILE MEXICAN- AMERICANS*

Place of Birth: 93% U.S. 7% Abroad

Age: 11% 21-30 22% 31-40 22% 41-50
11% 51-60 34% 61+

Gender: 76% Male 24% Female

Political Affiliation: 76% Democrat
12% Republican
12% Other

Education: 4% High School
33% Some College
30% College Grad
33% Postgrad

Household Income: 27% \$50,000-\$99,000
73% \$100,000+

Current financial situation compared with one year ago:
48% Better off 15% Worse off 37% Same

Language: At Home Business
37% English 63% English
0% Spanish 4% Spanish
63% Bilingual 33% Bilingual

Geographic Region: 11% Northeast
2% Southeast
7% Midwest
80% Southwest
0% Northwest

*Percents are of those who answered each question.



Richard Polanco
Member
California State Assembly
Los Angeles, CA



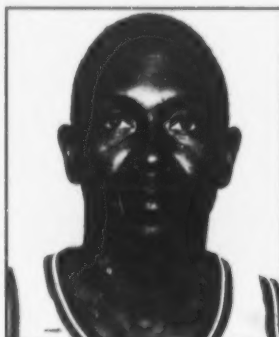
Waldemar (Bill) Rojas
Superintendent of Schools
SF Unified School Dist.
San Francisco, CA



Cari M. Dominguez
Asst. Sec. Employ. Stds.
U.S. Dept. of Labor
Washington, DC



Frank Flores
President/Chair/CEO
Marsden Reproductions
New York, NY



Mark Aguirre
Forward
Detroit Pistons
Detroit, MI



Teresa McBride
President
McBride & Associates Inc.
Albuquerque, NM



Roberto Martinez
U.S. Attorney
South Florida
Miami, FL

100 INFLUENTIALS

DEMOGRAPHIC PROFILE PUERTO RICAN- AMERICANS*

Place of Birth: 85% U.S. 15% Abroad

Age: 11% 21-30 45% 31-40 33% 41-50
0% 51-60 11% 61+

Sex: 67% Male 33% Female

Political Affiliation: 69% Democrat
8% Republican
23% Other

Education: 0% High school
8% College
23% College grad
69% Postgrad

Household Income: 39% \$50,000-\$99,000
61% \$100,000+

Current financial situation compared with one year ago:
0% Better off 23% Worse off 77% Same

Language: At Home Business
46% English 54% English
8% Spanish 0% Spanish
46% Bilingual 46% Bilingual

Geographic Region: 75% Northeast
0% Southeast
8% Midwest
17% Southwest
0% Northwest

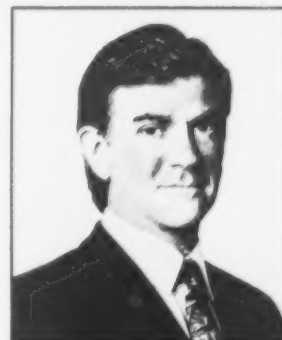
*Percents are of those who answered each question.



Victoria Corderi
News Anchor
"Street Stories"
New York, NY



Carlos Ramirez
Editor
El Diario/La Prensa
New York, NY



Alberto W. Vilar
President
Amerindo Invst. Advrs.
San Francisco, CA



L. R. Figueroa-Bocchi
Senior Attorney
Sec. and Exchange Comm.
Washington, DC



Eduardo Aguirre Jr.
Senior VP
NationsBank of Texas
Houston, TX



Luis Cancel
Commissioner
Dept. of Cultural Affairs
New York, NY



Xavier Hermosillo
Director
Latino Bush Campaign
Los Angeles, CA

100 INFLUENTIALS

DEMOGRAPHIC PROFILE CUBAN- AMERICANS*

Birthplace: 11% U.S. 89% Abroad

Age: 18% 31-40 59% 41-50
18% 51-60 5% 61+

Sex: 70% Male 30% Female

Political Affiliation: 19% Democrat
69% Republican
12% Other

Education: 18% Some College
29% College Grad
53% Postgrad

Household Income: 8% \$50,000-\$99,000
94% \$100,000+

Current financial situation compared with one year ago:
50% Better off 0% Worse off 50% Same

Language: At Home Business
22% English 39% English
39% Spanish 5% Spanish
39% Bilingual 56% Bilingual

Geographic Region: 40% Northeast
40% Southeast
15% Midwest
5% Southwest
0% Northwest

*Percents are of those who answered each question.



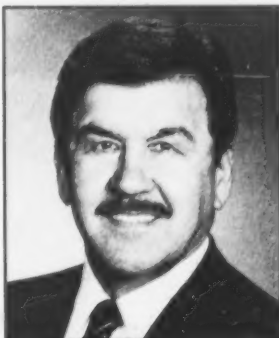
Anita Perez Ferguson
Congressional Candidate
23rd District
Ventura, CA



Stella Guerra
Assistant Secretary
Territorial/Int'l Affairs
Washington, DC



Natalia Delgado
Law Partner
Jenner & Block
Chicago, IL



Ernest Z. Robles
Executive Director
Nat. Hisp. Scholarship Fund
Novato, CA



Jose Garcia-Pedrosa
Managing Law Partner
Tew & Garcia-Pedrosa
Miami, FL



Lillian Fernandez
Chair
Nat'l Puerto Rican Forum
New York, NY

100 INFLUENTIALS

I N D E X

Mark Aguirre	72	Jorge Diaz	70	Gloria Molina	53
Eduardo Aguirre Jr.	74	Alejandro Diaz Vargas	54	Dan Morales	58
Raul Alarcon Jr.	70	Salvador Diaz-Verson	62	Pablo Morales	62
Sandy Alomar	68	Trent Dimas	54	Miguel Nevarez	70
Diane Alverio	78	Cari M. Dominguez	72	Antonia Novello, M.D.	52
George R. Arellano	62	Maria Echaveste	64	Carlos Ortiz	66
Andres Bande	53	Joseph Fernandez	56	Solomon Ortiz	56
Rosemary Barkett	62	Lillian Fernandez	76	Ed Pastor	64
Alejandro Benes	78	Mary Joe Fernandez	66	Federico Peña	56
Joaquin F. Blaya	56	Fernando Ferrer	60	Anita Perez Ferguson	76
Carolina Calderin	68	Linda R. Figueroa-Bocchi	74	George L. Pla	68
Luis Cancel	74	Frank Flores	72	Richard Polanco	72
Jose Canchola	64	Jose Garcia-Pedrosa	76	Frank Quevedo	64
Hilario F. Candela	60	Henry B. Gonzalez	52	Ennio Quevedo-Garcia	66
Oswald Cano	78	Ofelia Gonzalez	78	Carlos Ramirez	74
Ruben Cardenas	53	Stella Guerra	76	Jaime Ramon	64
Mariah Carey	56	Lena Guerrero	54	Dennis Rivera	66
John Carro	60	Luis V. Gutierrez	60	Raul Rivera	58
Arcadio Casillas	58	Xavier Hermosillo	74	Ernest Z. Robles	76
Ernesto M. Chavarria	68	Sally Hernandez-Piñero	53	Matt Rodriguez	64
Lloyd G. Chavez	53	Frank Herrera Jr.	60	Ray Rodriguez	54
Gery J. Chico	58	Nicolas Kanellos	78	Waldemar (Bill) Rojas	72
Evelyn Cisneros	53	Tony Leal	64	Phil Roman	66
Louis Cobarruviaz	66	Sergio A. Leiseca	58	Jose F. Rosado	53
Ernest J. Collazo	66	David Lizarraga	70	Manuel A. Rosales	70
Margarita H. Colmenares	78	Monica Lozano	58	Lucille Roybal-Allard	60
Victoria Corderi	74	Laudelina Martinez	62	Frederick R. Ruiz	60
Carlos de Cespedes	68	Roberto Martinez	72	Joseph Sanchez Jr.	62
E. (Kika) de la Garza	53	Teresa McBride	72	Tony Sanchez Jr.	68
Oscar De La Hoya	56	Amalia Mesa-Bains	70	Miriam Santos	70
Natalia Delgado	76	Ricardo Mestres	53	Cristina Saralegui	54



Ofelia Gonzalez
Theater Actress
Repertorio Español
New York, NY



M. H. Colmenares
White House Fellow
Dept. of Education
Washington, DC



Oswald Cano
Gen. Mgr. Corp. Resp.
PSE&G
Newark, NJ



Nicolas Kanellos
Publisher
Arte Publico Press
Houston, TX



Diane Alverio
President
Nat'l Assn. Hisp. Journal.
Hartford, CT



Alejandro Benes
Director of News
NBC
New York, NY